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Distribution, Digital, Delivery

Today,  
tomorrow,  
together

RTÉ is Ireland's  
national public-service  
media organisation  
– on television, radio,  
online and mobile.

Raidió Teilifís Éireann Board  
The 58th Annual Report and Group Financial  
Statements for the 12 months ended 31  
December 2018 presented to the Minister  
for Communications, Climate Action and  
Environment in line with sections 109 and 110  
of the Broadcasting Act 2009.

Is féidir leagan Gaeilge den Tuarascáil a  
íoslódáil ó [www.rte.ie/annualreport](http://www.rte.ie/annualreport)

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# Vision

To champion Irish culture by captivating audiences with trusted, engaging and challenging content; celebrating our country's rich diversity; and cultivating Ireland's talent.

# Mission

To enrich Irish life with content that challenges, educates and entertains.

# Values

As an organisation and individually, RTÉ will be outward looking, creative, respectful, sustainable and accountable, collaborative and transparent, and will demonstrate the following behaviours:

## Outward Looking

Have a deep understanding of its audience and their needs.  
Invest time and energy in monitoring changes in the media landscape.



## Creative

Be resourceful and innovative in how it makes its content.  
Be brave, take risks and be willing to learn from failures.



## Respectful

Treat people, including staff and partners, with respect, even when it challenges.  
Nurture trust by being fair and open about the decisions it makes.



### **Sustainable and Accountable**

Manage its business in a responsible manner.

Be accountable to each other within RTÉ and to audience and stakeholders.



### **Collaborative**

Work together, bringing the One RTÉ organisation to life.

Join forces with partners to meet the needs of RTÉ's audience.



### **Transparent**

Make decisions openly.

Be upfront about the reasons for the actions taken.



# 1 STUDIO

*Nuacht RTÉ le TG4*, a new partnership with TG4, launched with a brand-new studio in Baile na hAbhainn.

# 50 YEARS

RTÉ Radio 1's *This Week* celebrated 50 years on air.

# 81%

A substantial majority of Irish adults consider RTÉ to be an important part of Irish life, and RTÉ remains the most trusted source of news amongst Irish adults (77%).

# 130 EVENTS

RTÉ Supporting the Arts partnered with more than 130 local, national and community arts events.

# 2,073

RTÉ broadcast 2,073 hours of home-produced content in peak time.

# 79,000+

The RTÉ Concert Orchestra, the RTÉ National Symphony Orchestra, the RTÉ Contempo Quartet and the RTÉ choirs performed 207 times in 2018, with attendances up 56% year on year to almost 220,000.

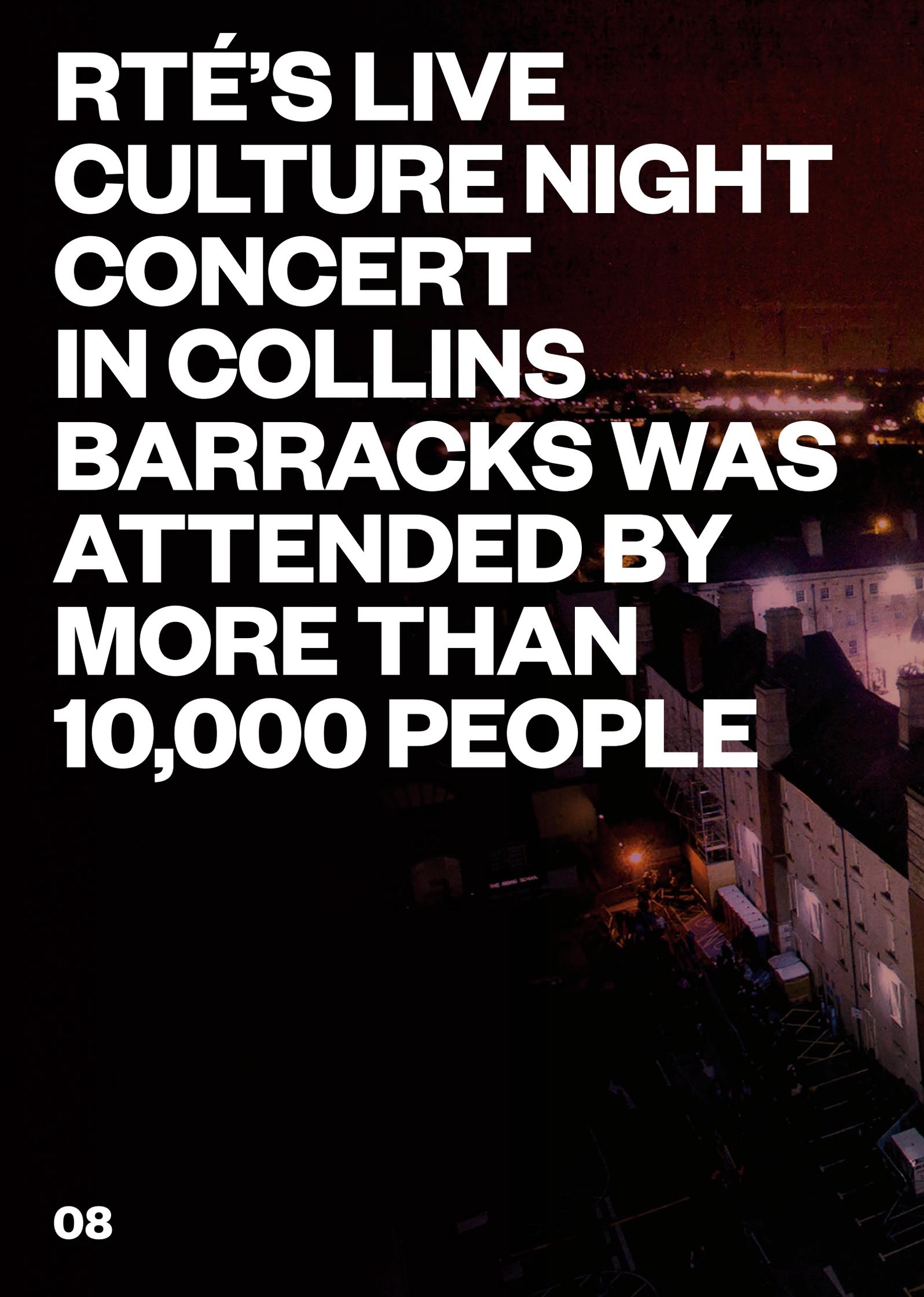
# 1,000,000+ LISTENERS

RTÉ Radio 1 continued to be the only radio service in Ireland with more than one million listeners.



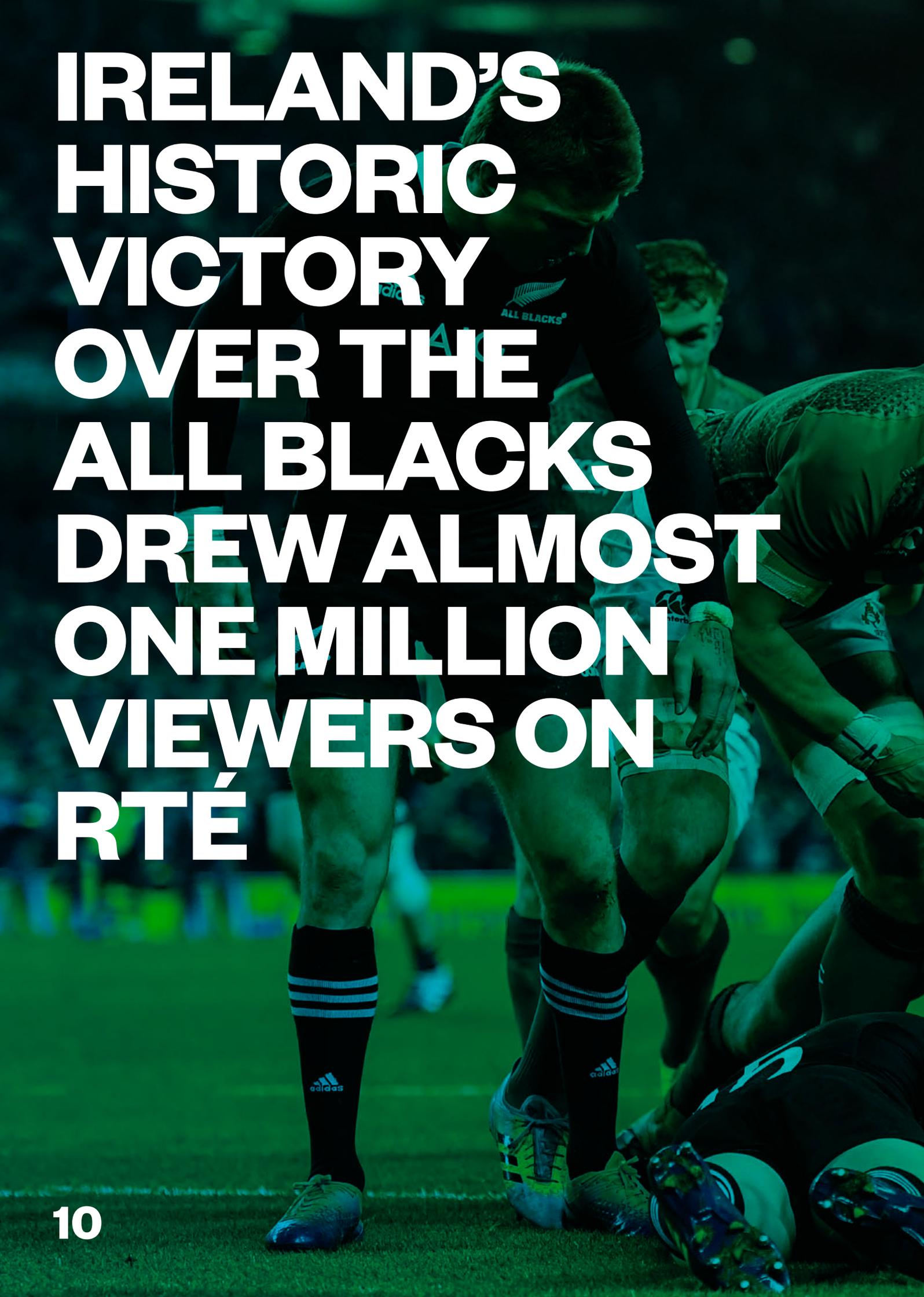
# RTÉ SCORED 39 OF THE TOP 50 SPOTS ON TAM IRELAND'S MOST WATCHED TELEVISION FOR 2018



An aerial night photograph of Collins Barracks in Dublin, Ireland. The barracks are large, multi-story buildings with many windows, some of which are lit up. The surrounding area is dark, but the city lights of Dublin are visible in the distance, creating a bokeh effect. The text is overlaid on the left side of the image.

**RTÉ'S LIVE  
CULTURE NIGHT  
CONCERT  
IN COLLINS  
BARRACKS WAS  
ATTENDED BY  
MORE THAN  
10,000 PEOPLE**





**IRELAND'S  
HISTORIC  
VICTORY  
OVER THE  
ALL BLACKS  
DREW ALMOST  
ONE MILLION  
VIEWERS ON  
RTÉ**





**THE LATE LATE  
TOY SHOW WAS  
THE MOST  
WATCHED  
PROGRAMME OF  
THE YEAR WITH  
AN AUDIENCE  
OF MORE THAN  
1.5 MILLION**



# RTÉ WAS HOST BROADCASTER FOR THE VISIT OF POPE FRANCIS







**RTÉ 2FM WAS  
THE LARGEST  
NATIONAL  
STATION FOR  
15-34-YEAR-  
OLDS, WITH A  
MARKET SHARE  
OF 13.6%**



# Chair's Statement

Making good the aspirations of the One RTÉ concept and implementing the 2018–22 strategy were key priorities in 2018. Much debate took place at the RTÉ Board about the relationship between the content produced by RTÉ and the needs of its audiences.

Public-service broadcasters, both here and across Europe, remain at the forefront of original content generation. This content, often commissioned from the independent sector, has a much wider economic impact and yet the overall financial situation remains worrying. For the fourth year in a row, RTÉ will return an operating deficit.

The Board has pushed public awareness of the challenges that face RTÉ and indeed other parts of the creative industries. These challenges are exacerbated by the imminence of Brexit. Even before it happens, the uncertainty generated by the political situation in Britain has had a significant impact on RTÉ's finances. In 2019, we will experience another tough year for the media sector – even in the most benign of Brexit scenarios.

However, though reduced resources limited the opportunities for investment, the Board approved certain additional spending on sport and drama content to keep RTÉ at the forefront of the national conversation. The launch of the new RTÉ Player, with its greatly enhanced content, offered a welcome additional platform for Irish creativity as well as a greatly enhanced experience for audiences.

A number of key Board priorities were addressed in 2018. Helen Boaden, together with Mediatique, led a comprehensive review of the future of RTÉ's orchestras. Her conclusions were adopted by the Board, which mandated RTÉ to engage with Government, the National Concert Hall and other internal and external stakeholders to secure the future of our orchestras.

A working group chaired by the former RTÉ Director-General Cathal Goan produced strong recommendations on the digitisation, preservation and future exploitation of RTÉ's archives. The report made a number of imaginative and cost-effective recommendations to secure the archive and these were adopted by the Board.

The Board's membership was augmented by the welcome additions of Ian Kehoe, a former editor of the *Sunday Business Post*, and a new elected staff representative, Robert Shortt, who replaced Aengus MacGrianna on his retirement from RTÉ.

Standing committees of the Board continued to work diligently on key areas of RTÉ's responsibilities. I would like to thank the Chairs and members of the committees for their

work in developing our knowledge in a number of important areas.

The renewal of the structures of the organisation continues. A number of substantial capital investments approved by the Board will strengthen the fabric of RTÉ, both on and off air.

The RTÉ Audience Council completed its term. In addition to its reports to the Board and its well-received public seminar on fake news, it made constructive recommendations for improvements in the operation of the council in 2019.

RTÉ continued to provide high-quality journalism, encourage engagement with key national debates and deliver a balanced and reflective view of Irish life. As a Board, through enlisting the help and collaboration of many external partners, we will work to maintain this into the future.

**Moya Doherty**  
Chair



# TOWARD ONERTÉ



# Director- General's Review

When I took on the role of Director-General of RTÉ in 2016, I knew I would be joining the organisation on the precipice of great change. The media landscape is evolving at an unprecedented pace; the challenges for public-service media across the globe are significant and the integrity of information is at great risk. It is essential, therefore, that RTÉ transforms itself to meet the demands of today's audiences and to sustain a strong RTÉ for future generations.

In 2018, RTÉ published its five-year strategy (2018–2022). The strategy articulates the ways in which RTÉ will transform and how it will reflect and inform the lives of audiences in Ireland. The strategy was endorsed by stakeholders and by the Broadcasting Authority of Ireland (BAI), which conducted a review of the strategic challenges and opportunities facing both RTÉ and TG4 over the next five years and the adequacy of funding required to support our work. The main findings in the BAI review were:

*"The BAI recommends, at a minimum, that RTÉ should receive an increase in its annual public funding of €30m per annum. Given the urgency of RTÉ's current funding position, the increased level of public funding recommended should be available to the broadcaster immediately.*

*As set out in the report, the BAI believes that there may well be a case for increased funding in excess of €30m per annum and remains open to receiving further detailed proposals from the broadcaster over the period of its 2018–2022 Strategic Plan, aligned with its statutory remit.*

*The BAI believes that both funding increases are justified, as, in its view, the funding currently available is not sufficient to ensure the broadcaster's sustainability. Increased funding will also facilitate the broadcasters in pursuing their creative vision for Irish audiences in collaboration with the Irish independent production sector, thereby contributing to the sustainability of the wider Irish audio-visual sector."*

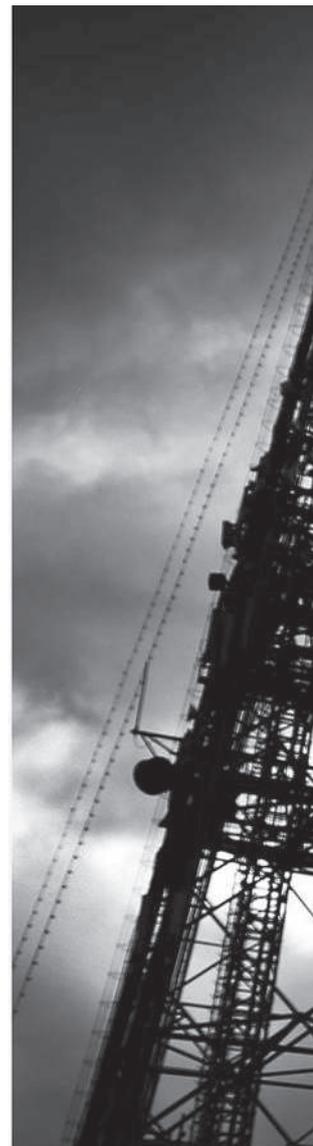
Against this backdrop of insufficient funding, RTÉ is recording an operating deficit in 2018 of €13 million. Excluding the cost of special events, RTÉ reduced costs again across the year – through the further suppression of essential investment in content and more staff departures. However, a highly competitive and uncertain commercial environment, coupled with an unreformed TV Licence system – one that is losing tens of millions of euro every year – means that RTÉ cannot sustain the breadth of its public-service responsibilities.

With reduced levels in overall income (some €100m less than a decade ago), RTÉ's ability to invest in its programming and services has

decreased at a time when the competition for audiences, from largely international players who invest little in Irish programming or journalism, has never been more acute. The dual funding system, which has underpinned RTÉ's remit and helped sustain the broader creative audio-visual sector in Ireland over many years, is now under impossible strain. This is unsustainable.

RTÉ will work hard to deliver the best public service that we can. However, without a combination of public funding reform, commercial growth and a continued focus on efficiencies, RTÉ will not be able to adapt for the future nor will we be able to return to financial stability, fulfil our remit or continue to provide the range of services that we currently provide.

Notwithstanding the financial challenges, we continued to transform RTÉ in 2018. It was the first full year working within a new organisational structure. The restructure is designed to create greater efficiencies and collaborations, placing the audience at the heart of all that we do. Already we are seeing



**A YEAR  
OF VERY  
SIGNIFICANT  
CHANGE**



## Director- General's Review (continued)

the results of these new ways of working; we saw it on Culture Night 2018; we see it in the new RTÉ Player; in new themed content strands such as *The Big Picture* series; and in the creation of a multimedia, collaborative documentary unit.

RTÉ continues to hold public trust. It is where people turn – for our unparalleled coverage of Brexit; our comprehensive news coverage in times of crisis, such as Storm Emma; our debates, discussions and coverage in times of political change; and for the shared moments of joy and national expression such as the GAA All-Ireland Finals and *The Late Late Toy Show*. RTÉ remains the most-trusted news service in the country and our radio services attract more than two million listeners per week. RTÉ has a national reach and public confidence that is both rare and valued.

I believe that people in Ireland have a right to see their stories reflected and to have their voices heard. I am delighted that, in 2018, we appointed a new head of Diversity and launched an organisation-wide diversity training programme. RTÉ will remain relevant

if we are connected to the lives of citizens and I have no doubt that we will make more progress in the year ahead.

Accessibility, too, is key, and the launch of the new RTÉ Player was the culmination of significant work and investment.

Public-service media stands against the tide of misinformation, commercial self-interest and incomplete reporting. At a time when media services everywhere continue to fragment and struggle to survive, the mission and purpose of public-service media has never been more important and more relevant.

Ireland has been fortunate that standards of journalism remain high, but ensuring that citizens have access to accurate, timely and impartial information is fundamental to a healthy democracy. Much is at risk if this is not sustained and supported.

**Dee Forbes**  
Director-General, RTÉ



# Financial Review

## Results and Operating Profit

With a modest increase in total revenue, together with a reduction in operating costs, RTÉ returned higher EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) before special events costs of €6.5 million (2017 €3.1 million). The cost of special events in 2018 included the Papal Visit, the Presidential Election and coverage of FIFA World Cup 2018 and amounted to €7.2 million, resulting in a higher Net Deficit before Exceptional Items and Tax for the year of €12.6 million (2017 €6.4 million) and an overall Net Deficit for the year of €13 million (2017 Net Surplus after tax and Exceptional Items of €42.1 million).

Commercial revenue declined by 1% as Brexit uncertainty continued to curtail advertising spend and also changes in media consumption habits continued to have an impact on the Irish advertising market. Licence fee income increased by €3 million (+1.6%) due to the €1.6 million increase in public funding announced in Budget 2018, which was a part reversal of public funding cuts made since 2010. Licence fee unit sales also grew from increased inspector levels and growth in net new household formations. Operating costs of €332.6 million were €1.9 million lower than 2017 levels; however total operating costs including the costs of special events were €339.8 million, an increase on 2017 levels of €334.5 million.

## Summary Financial Highlights

	2018 €m	2017 €m	Change €m
Commercial Revenue	<b>150.0</b>	151.5	(1.5)
Licence Fee Revenue	<b>189.1</b>	186.1	3.0
Total Revenue	<b>339.1</b>	337.6	1.5
Operating Costs (excluding Special Events)*	<b>(332.6)</b>	(334.5)	1.9
<b>EBITDA** (before Special Events)</b>	<b>6.5</b>	3.1	3.4
Special Events Costs	<b>(7.2)</b>	-	(7.2)
<b>EBITDA</b>	<b>(0.7)</b>	3.1	(3.8)
Depreciation & Amortisation	<b>(12.4)</b>	(12.4)	-
Gain on Disposal of Intangible Assets	-	5.0	(5.0)
Net Finance (Expense)/Income	<b>0.5</b>	(2.1)	2.6
<b>(Deficit) before Exceptional Items &amp; Tax</b>	<b>(12.6)</b>	(6.4)	(6.2)
Land Sale Gain less Sales-Enabling Project Costs	<b>(0.6)</b>	99.5	(100.1)
Restructuring & Other Charges	<b>0.1</b>	(29.6)	29.7
<b>(Deficit)/Surplus after Exceptional Items and before Tax</b>	<b>(13.1)</b>	63.5	(76.6)
<b>Tax</b>	<b>0.1</b>	(21.4)	21.5
<b>Net (Deficit)/Surplus for the Year</b>	<b>(13.0)</b>	42.1	(55.1)

\*Operating Costs before Depreciation & Amortisation and excluding the incremental costs of Special Events in 2018.

\*\*EBITDA: Earnings before Interest, Tax, Depreciation, Amortisation and Exceptional items.

## Commercial Revenue

RTÉ's commercial revenue declined by 1% in 2018, as the continued impact of Brexit and changing media consumption habits negatively impacted on traditional revenue lines. Brexit's effect on advertising comes from the impact which uncertainty in the market has on advertising spending in the UK and Irish markets and also the impact of reductions in the EUR/GBP currency rate.

	2018 v 2017 Change €m	Change %
Television Advertising & Sponsorship	(1.2)	-1%
Radio Advertising & Sponsorship	1.1	5%
Digital Advertising & Sponsorship	0.4	6%
Other Revenues including Digital Content	(1.8)	-5%
Year-on-Year Movement	(1.5)	-1%
Commercial Revenue 2017	151.5	
<b>Commercial Revenue 2018</b>	<b>150.0</b>	

# Financial Review (continued)

RTÉ television advertising and sponsorship revenue was in line with overall market performance at -1% year on year. Strong TV advertising categories included Finance, Motors and Government spend. RTÉ radio advertising and sponsorship revenue grew by 5% year on year which was ahead of the market with spot revenues performing strongly. RTÉ 2fm had a particularly strong year, reflective of its audience growth, particularly among its target audience of Adults 15–34. Strong radio advertising categories included Finance, Food and Government.

RTÉ digital advertising and sponsorship revenues increased by 6% on 2017 as, despite a decline in the demand for display advertising, there was a large increase in demand for RTÉ Player where VOD (video on demand) showed strong growth during the year. Other revenue decline was largely due to the movement of GAAGO revenue to joint venture income. Programme sales had a strong performance with growth in drama content sales. In line with the Press sector, the *RTÉ Guide* had a challenging year with a small decline in year-on-year revenue from advertising and circulation revenues, partly compensated by a cover price increase.

RTÉ completed the consolidation of the Commercial Division into a single team at the beginning of 2018, following the introduction of consolidated trading in 2017, where deals are done across all RTÉ platforms at client and agency level. The consolidation of the sales functions has been well received by the industry and allows RTÉ to optimise its assets and explore all opportunities to maximise revenue.

## Television Licence Revenue

As RTÉ is a dual-funded public-service broadcaster with a broad range of statutory responsibilities, the level of public funding it receives to fulfil its role is crucial. The Department of Communications, Climate Action and Environment (DCCA) is responsible for the collection of licence fee monies from An Post (the appointed agent for the sale of TV licences) and from the Department of Employment Affairs and Social Protection (DEASP) in respect of 'free' television licences. The DCCA then makes a grant to RTÉ out of licence fee monies collected.

Of the €221 million licence fee collected in 2018, €189.1 million (86%) was received by RTÉ. The remaining licence fee collected, €31.9 million, was used to pay An Post collection costs and related charges, to provide funding for the BAI Sound & Vision Fund and to part fund TG4. Licence fee income received in 2018 was an increase of €3 million on 2017 levels due to an increase in the number of licence fee units sold by An Post in 2018 from increased inspector levels and growth in net new household formations. The amount received from the DEASP in respect of 'free' television licences also increased by €1.6 million which was a part reversal of the public funding cuts made since 2010.

Latest evasion levels as calculated by the DCCA are 14% (2017) of chargeable domestic households and business premises. Evasion levels in Ireland are significantly higher than in the UK and other European countries and collection costs are more than double other European PSBs. An Post, the DCCA and RTÉ continue to work to address evasion levels.

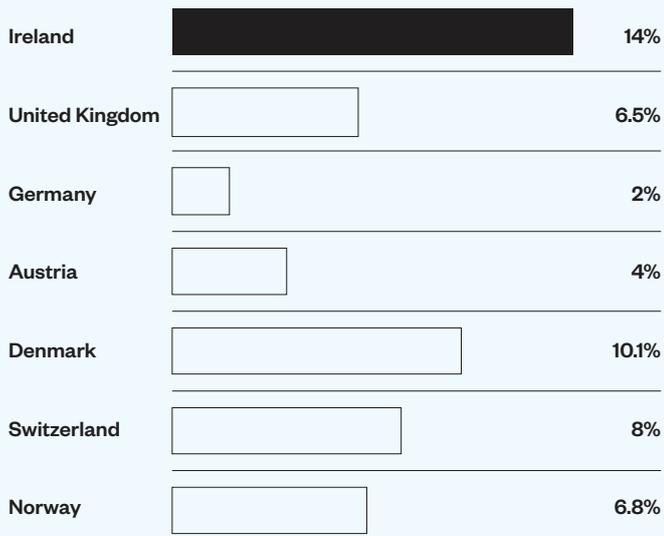
Of concern is the increase in the number of homes that do not have a traditional television set. This has been growing steadily over recent years, as per the Nielsen Establishment Survey, and is now 10.6% (January 2019). As media consumption patterns become more complex, the television licence fee mechanism reflects less and less how people consume public-service content. It is for this reason that the mechanism is being changed in other countries to a media charge or other methods, rather than being device dependent.

Licence fee income received by RTÉ through public funding has been reduced by over €20 million since 2010 through a series of cuts made from the available pool of funding. These include part funding of TG4 directly from the licence fee, increased funding to the BAI Sound & Vision Fund, the cap imposed on the amount of licence fee received by way of 'free licences' and the €5 million reduction in Budget 2014 in public funding received. Recent Government Budgets have seen the part reversal of these cuts in Budget 2017, Budget 2018 and Budget 2019 which included an €8.9 million reversal of the public funding cuts made in earlier years which is welcome.

The Broadcasting Authority of Ireland (BAI) as part of its annual review of funding for public-service broadcasters for 2013, 2014, 2015 and 2016 has recommended each year that there should be an increase in RTÉ's public funding to address the inadequate levels that RTÉ receives to meet its objectives as a public-service broadcaster. This was again reiterated by the BAI in 2018 in its review of RTÉ's five-year strategy 2018–2022 when they recommended that an immediate increase of €30 million in public funding be given to address the inadequate levels of RTÉ's funding.

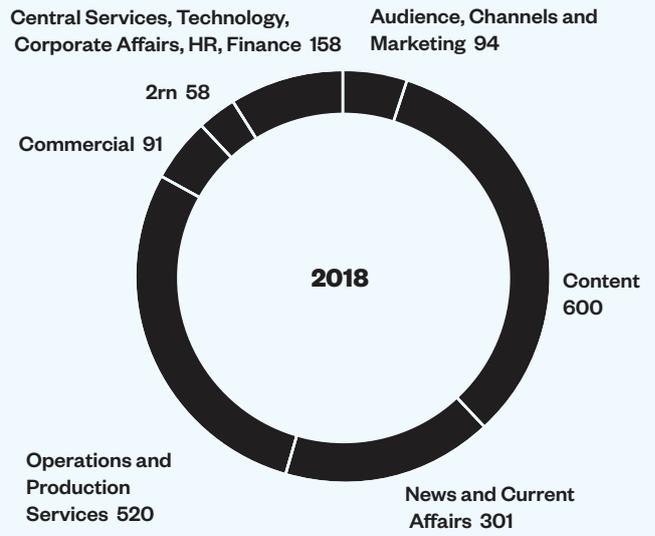
The section 'How Your TV Licence Fee Is Used' (see page 30) outlines how the licence fee is used, with 82% of total licence fee invested in RTÉ services and activities. The remaining 18% is invested in non-RTÉ activities, including the BAI Sound & Vision fund, TG4 deduction and support, and An Post collection fees.

## LICENCE FEE EVASION 2018

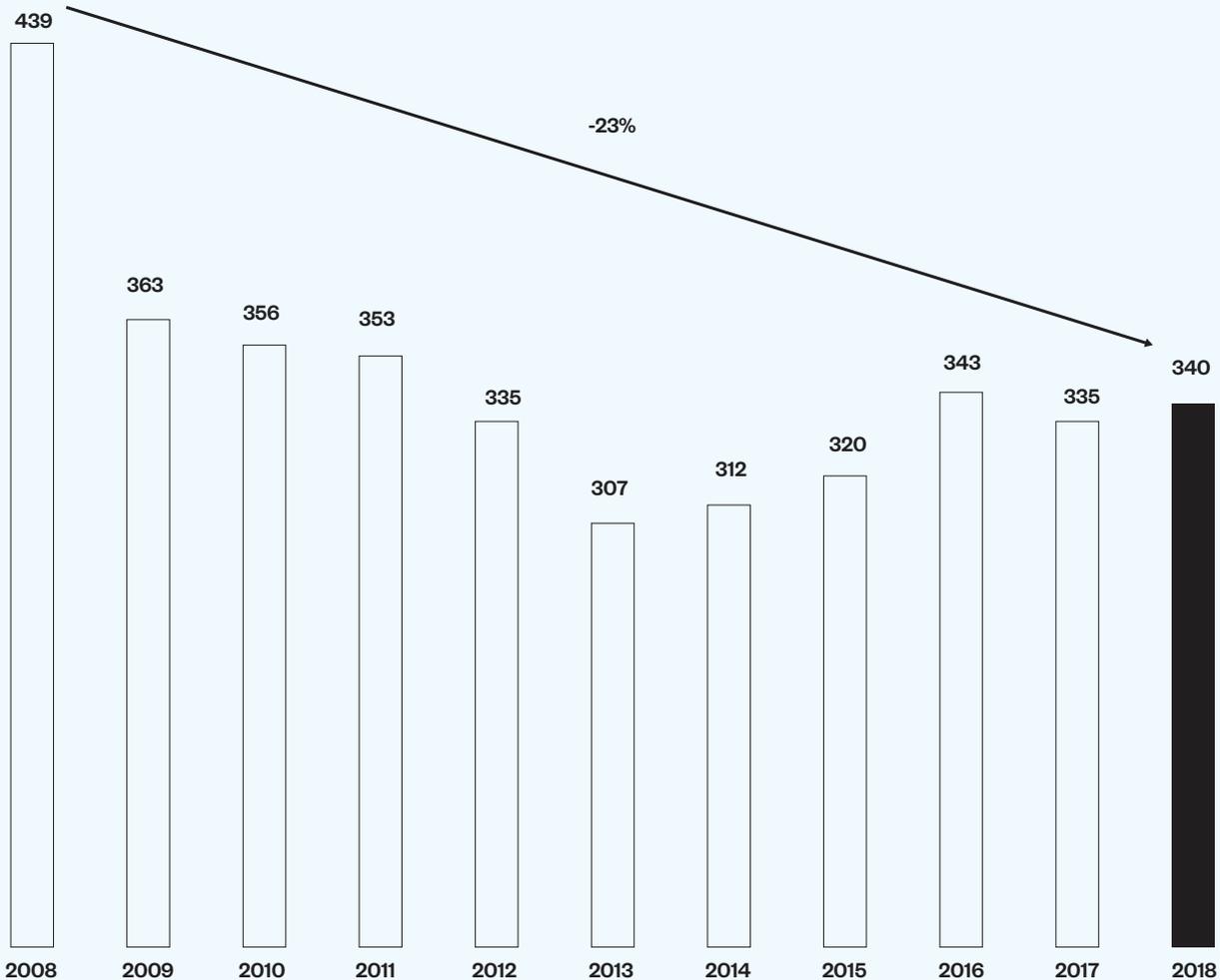


Source: EBU Report Licence Fee 2018 incl. Evasion Rates for 2017

## EMPLOYEE NUMBERS



## RTÉ OPERATING COSTS €M 2008-2018



# Financial Review (continued)

## Operating Costs

2018 total operating costs were €339.8 million, an increase of €5.3 million on 2017 levels, due to the cost of special events covered during the year. The cost of special events in 2018 was €7.2 million and included the Papal Visit, the Presidential Election and coverage of FIFA World Cup 2018. Operating costs continue to be contained and 2018 operating costs were still 23% lower than 2008 levels.

	2018 v 2017 Change € m
No Change in Personnel-Related Operating Costs	-
Decrease in Non-Personnel-Related Operating Costs	(1.9)
Increase in Special Events Costs	7.2
Year-on-Year Increase (Including Special Events)	5.3
Operating Costs 2017	334.5
<b>Operating Costs 2018</b>	<b>339.8</b>

The full year impact of the phased restoration of voluntary staff pay cuts, which were fully restored by December 2017, was compensated by the reduced staff costs resulting from the VEP scheme launched in 2017, with staff exits in 2017 and 2018. The decrease in non-PROCs in 2018 was as a result of continued curtailment of costs including communication circuits, printing and insurances.

## Employee Numbers

At 31 December 2018, there were 1,822 (2017: 1,924) employees, of which 250 (2017: 317) were part-time/casual. The full-time equivalent headcount at 31 December 2018 was 1,691 (2017: 1,746), reflecting an 8% reduction compared to 31 December 2016. This reduction occurred in late 2017 and throughout 2018 as circa 160 staff left the organisation under the voluntary exit programme launched in 2017 as part of the overall organisation restructuring.

## Land Sale Gain & Sales-Enabling Project Costs

In March 2017, 8.64 acres of land at Donnybrook were sold in an open public sales process and was purchased by Cairn Homes plc. In 2017, the gain on the land sale, net of sales-enabling costs and before tax, was €99.5 million, which was recorded as an exceptional item. To deliver the lands unencumbered to the purchaser, a series of sales-enabling and relocation projects were required to be carried out, both pre-sale and subsequent to the sale. As at the end of 2018, the projects are close to completion and the total cost of the sales-enabling projects is expected to be €10.0 million, of which €6.9 million was incurred in 2017 and €3.1 million incurred in 2018. Of the €3.1 million in 2018, €0.6 million is charged as an exceptional expense in the Income Statement and the remaining €2.5 million capitalised as assets.

The funds released from the land sale will facilitate much-needed capital and digital investment and has been used to fund organisational restructuring and reduce borrowing levels.

## Restructuring and Other Charges

RTÉ Director-General Dee Forbes announced the One RTÉ organisational structure in March 2017. It is designed to improve coordination of content, focus on audience needs, create bigger impact with audiences and help drive greater efficiency. As part of the overall restructuring and to reduce the operating cost base, the target is to reduce staffing levels by between 200 and 300 people and deliver ongoing annual savings to RTÉ. A key element of the restructuring programme was the launch of the Voluntary Exit Programme (VEP) in late 2017, which included both retirement and redundancy options. During 2017 and 2018 approximately 160 people voluntarily left the organisation. Once the new organisation structure has bedded in, further voluntary exits are anticipated.

The overall projected cost of restructuring and other charges was €29.6 million and was provided for within the RTÉ 2017 Income Statement. All costs incurred in 2018 relating to the restructuring, including the cost of benefits under the VEP and other restructuring costs, have been charged against the provision made in 2017 resulting in a small reduction in the provision which is reflected in the 2018 Income Statement.

## Net Finance Expense

A net finance income of €0.5 million arose in 2018 compared to a net finance expense of €2.1 million in 2017, comprised as follows:

Finance income for 2018 was €2.1 million, compared to finance income in 2017 of €0.5 million. It included net interest income of €1.0 million related to IAS 19 defined benefit pension scheme (2017: €0.5 million); a fair value gain on derivative foreign currency contracts of €1.0 million (2017 loss of €1.2 million); and investment income of €0.1 from a joint venture (2017: Nil).

Finance expense for 2018 amounted to €1.6 million, compared to an expense of €2.6 million in 2017. The expense of €1.6 million included interest payable on borrowings, refinancing costs, interest on restructuring costs and fair value loss on cash flow hedge transferred from equity (2017: €1.4 million).

## Taxation

There was a tax credit of €0.1 million in 2018 (2017 tax charge of €21.4 million) which is a current tax credit net of a deferred tax expense resulting from timing differences between capital allowances claimed and depreciation charged. The tax charge of €21.4 million for the year ended 31 December 2017 primarily related to corporation tax charged on the land sale gain in 2017 which was paid in September 2018.

## Cash Flow and Borrowings

Total cash balances including liquid investments at 31 December 2018 amounted to €67.0 million (2017: €107.1 million), a decrease of €40.1 million. The movement in 2018 cash balances can be summarised as follows:

<b>Summary Cash Flow Statement</b>	<b>2018</b>	<b>2017</b>
	<b>€m</b>	<b>€m</b>
EBITDA before Restructuring		
Charge and Gain on Disposal of Assets	<b>(1)</b>	3
Operating cash flows:		
- Working Capital	<b>6</b>	-
Restructuring cash flows:		
- Payments	<b>(6)</b>	(11)
Investing Activities:		
- Capital Expenditure	<b>(18)</b>	(11)
- Proceeds on Sale of Assets	-	110
- Taxes paid on Sale of Assets	<b>(21)</b>	-
- Capital Grant Received	-	8
Financing cash flows:		
- Borrowings (Repayments) /Draw Downs	<b>1</b>	(8)
- Interest Paid	<b>(1)</b>	(2)
<b>Net (Decrease)/Increase in Cash and Liquid Investments</b>	<b>(40)</b>	89

Given the financial pressures experienced in recent years there has been an increased focus on cash management and funding. This remained a key financial management priority throughout 2018 to ensure that adequate cash flow and facilities continue to be available.

RTÉ's banking arrangements and facilities are very important to the organisation, together with reviewing the adequacy of facilities. This focus on funding remains a key priority.

At 31 December 2018, RTÉ had bank borrowings of €50 million (2017: €49.5 million) which comprised:

- 2rn, RTÉ's transmission subsidiary, has a €40 million project finance loan facility agreement with Barclays Bank as part of the funding for the transmission and distribution infrastructure required for the Digital Terrestrial Television network. This facility is outstanding at 31 December 2018. An additional term loan facility for €13 million was arranged and fully drawn down in 2016. Capital repayments on this loan occurred in 2017 and 2018 with €5 million outstanding at 31 December 2018 (2017: €9.5 million).
- In 2016, a revolving credit facility for €15 million was arranged with Bank of Ireland for a five-year period. This is a flexible financing arrangement where amounts can be drawn and repaid in line with RTÉ's requirements over the term. There was €5 million outstanding at 31 December 2018 (2017: Nil).

In early 2019, RTÉ refinanced its 2rn debt under a new €60 million 7 year Club Facility with Barclays and Bank of Ireland, raising additional borrowings at a reduced interest cost.

## Financial Risk Management

The Board of RTÉ sets the treasury policies of the Group, which include financial instruments, cash management, interest rate risk, foreign exchange risk, liquidity risk and counterparty credit risk. These are set out in note 23 to the financial statements.

## Capital Grant

A capital grant was received from the DCCAE in 2017 to facilitate the clearing of the Spectrum 700 MHz frequency band, as stipulated by the EU. Capital grants are recorded as deferred income and released to the Income Statement on a basis consistent with the depreciation policy of the underlying assets.

## Capital Expenditure

RTÉ's total expenditure on capital projects in 2018 was €17.8 million (2017: €15.8 million), which included investment in technology and RTÉ assets, the Spectrum 700 MHz project and the remainder of the sales-enabling projects carried out to facilitate the sale of lands. RTÉ have also identified and begun to spend on a number of key strategic capital projects agreed by the RTÉ Board to be funded from the net proceeds of the 2017 land sale.

Investment in technology projects was €7 million, which included PMSE equipment upgrades, network IP upgrades, renewal and upgrade of the RTÉ Player, technology to enable +1 services, playout systems and a compliance recording system. A continued focus has also been the ongoing investment in DTT broadcast infrastructure and network renewal projects in 2rn.

To deliver the lands sold to Cairn Homes plc, a number of sales-enabling projects were required to be carried out pre and post sale to relocate RTÉ activities to another part of the Donnybrook site as required by the sales transaction. These infrastructural projects included the relocation of the RTÉ creche to facilitate the building of a new site entrance and access junction from the Stillorgan Road (R138) to the RTÉ site, and the relocation of both the RTÉ Sports and Social Club and *Fair City* lot. The total cost of the sales-enabling projects is expected to be €10.0 million across 2017 and 2018 of which €3.1 million was incurred in 2018, €2.5 million of which was capitalised as assets.

# Financial Review (continued)

Capital expenditure incurred on the 700 MHz migration project during 2018 was €3.3 million. This project involves migrating broadcast services out of the 700 MHz frequency band by 2020 and is primarily funded by the DCCA.

Spend has commenced on a number of Strategic Capital projects approved by the RTÉ Board to be funded from the land sale including an upgrade of RTÉ News studio 3, a high definition upgrade for *Fair City*, upgrade of the channel & rights management system, a new ERP system and servers for internet distribution. Total expenditure on these projects in 2018 was €4.4m.

## Segmental Reporting and Cost Allocation

RTÉ's segmental analysis is prepared in accordance with IFRS 8 *Operating Segments* which is set out in note 2(d). RTÉ's primary reporting segments are its divisions which in the main were established on 1 January 2018 under the One RTÉ restructuring project. As a result of the change in the organisational structure and the increase in non linear output with additional programmes getting first showings on digital and a move towards a 'digital-first' approach in news particularly, RTÉ revised and updated its cost allocation methodologies in 2018 to reflect the new structure. Note 2 Segmental Reporting for 2017 has been restated on a similar basis for comparable purposes.

## Regulation

RTÉ is regulated by the BAI in relation to its obligations as a public-service broadcasting corporation. RTÉ (as required by the *Broadcasting Act 2009*) cooperates with the BAI in the annual and five-year public funding reviews carried out by the BAI under section 124 of the Act. In October 2017 RTÉ submitted its five-year strategy 2018–2022 *Renewing RTÉ for the Next Generation* for consideration. In October 2018, the BAI endorsed RTÉ's strategic plan and recommended "at a minimum, that RTÉ should receive an increase in its annual public funding of €30m per annum."

In line with Government and BAI requirements, RTÉ's Fair Trading Policy and Procedures is published on the RTÉ website. The policy and procedures set out a framework grounded on:

- Clear separation between commercial activities and public services
- Fair trading in line with market principles
- Transparency and accountability

The Commission for Communications Regulation (ComReg) previously designated RTÉ and 2rn as having significant market power (SMP) in the markets for the provision of transmission and distribution services to radio broadcasters and the DTT multiplex operator as well as the downstream

supply of DTT multiplexed services to broadcasters. The decision placed certain obligations on both RTÉ (Market B) and 2rn (Market A). Separated accounts comprising regulated accounts for each of Market A and Market B, together with primary accounting documentation, are published in accordance with regulatory requirements.

GDPR (General Data Protection Regulation) legislation came into force on the 25 May 2018. GDPR introduces new rights for individuals and introduces new and increased obligations on organisations who are data processors or data controllers, such as RTÉ. It also gives new and extensive powers to the privacy regulator, the Data Protection Commission (the DPC). RTÉ complies fully with GDPR legislation.

## Pensions

RTÉ operates three pension schemes for its employees: a defined benefit (DB) scheme, a defined contribution (DC) scheme and a hybrid scheme (elements of DB and DC).

## RTÉ Superannuation Scheme

The RTÉ Superannuation Scheme is a funded, contributory DB scheme, established under legislation and sponsored by RTÉ. No new employees have been admitted to the scheme since 1989. As at 31 December 2018, RTÉ had 143 employees (2017: 181) who were members of the scheme.

As at 31 December 2018, the assets of the scheme had a market value of €998 million (2017: €1,053 million). At 31 December 2018, the liabilities of the scheme, as valued in accordance with IAS 19 Employee benefits, were €951 million (2017: €1,005 million). As required under IAS 19, the excess or shortfall of the assets compared to the liabilities of the scheme is reported as an asset or liability on RTÉ's statement of financial position. Therefore, as at 31 December 2018, there is a pension asset of €47 million reported in respect of the scheme (2017: €48 million). An increase in the discount rate used to value the liabilities helped mitigate the impact of investment returns being below those assumed.

In addition, the actuaries to the scheme have considered the scheme's position with liabilities measured under the minimum funding standard (MFS). As at 31 December 2018, the actuaries estimated that there was an MFS surplus of €134 million (2017: €159 million). In addition, the scheme has also met the funding standard reserve requirement at 1 January 2019. These are both very positive results and there is no requirement for a funding proposal in 2019.

### RTÉ Defined Contribution Scheme

The RTÉ Defined Contribution Scheme is a funded, contributory DC arrangement that has been open to new members since 1989. As at 31 December 2018, RTÉ had 1,164 employees (2017: 1,200) who were members of the scheme.

### RTÉ 50/50 Risk-Sharing Pension Scheme

The RTÉ 50/50 Risk-Sharing Pension Scheme is a funded, contributory hybrid scheme with DB and DC elements sponsored by RTÉ. The scheme commenced in September 2010 as an optional pension arrangement for eligible employees. As at 31 December 2018, RTÉ had 344 employees who were members of the RTÉ 50/50 Risk-Sharing Pension scheme (2017: 326).

As at 31 December 2018, the assets of the DB section of the scheme had a market value of €18.4 million. Under IAS 19, the liabilities of the DB section were €15.4 million, giving rise to a surplus of €3.0 million (2017 surplus €2.8 million). This is reported as an asset on RTÉ's statement of financial position.

The DB section of the scheme has a surplus under MFS and meets the solvency requirements under the risk reserves, therefore no funding proposal is required for this scheme.

### Insurance

Appropriate insurance cover is held for a range of material insurable risks, including sizable catastrophe risks, subject to relevant deductions and exclusions.

### Legal Proceedings

RTÉ and its subsidiary companies are party to a range of legal proceedings, including ones in which claims have been asserted against RTÉ or its subsidiaries but the outcome of which remain uncertain. Based on the advice received, RTÉ believes that necessary steps have been taken to ensure the outcome of all of these proceedings will not, in aggregate, have a long-term significant adverse effect on RTÉ's financial condition, results or liquidity.

### Outlook

While the sale of land in 2017 was a significant and positive transaction that provided much-needed resources, RTÉ reported another Net Deficit in 2018 and the financial outlook for 2019 and beyond remains very challenging, with inadequate levels of operational funding from both licence fee and commercial revenue to fund its obligations.

- Growth has returned to the Irish economy. In previous years, this would have seen growth in advertising revenue; however this is no longer the case. The broadcast market has continued to be increasingly competitive with new video-on-demand entrants such as Netflix growing more important, causing audience fragmentation, and viewing of broadcast TV has continued to decline. The ongoing impact of Brexit also makes the outlook for the generation of commercial revenue very challenging.
- In October 2018, the BAI endorsed RTÉ's five-year strategic plan 2018-2022 and recommended "at a minimum, that RTÉ should receive an immediate increase in its annual public funding of €30m per annum", which is welcomed by RTÉ.
- RTÉ also welcomes, as a positive start to addressing public funding levels, the €8.9 million increase in licence fee funding announced in Budget 2019 which was a part reversal of the €20 million cuts made since 2010.
- The current television licence fee collection system is not fit for purpose, with the current system losing more than €50 million every year for public-service broadcasting. As media consumption continues to evolve, the television licence fee reflects less and less how people consume public-service content. Ireland has one of the highest licence fee evasion rates in Europe and one of the highest collection costs. Reform of the television licence fee system has the potential to yield substantial additional revenue for public-service media, without increasing the burden on individuals or households. A working party established by the DCCAIE to review the operation of the licence fee is due to report back in Q1 2019 with recommendations as to its reform.
- The net proceeds from the land sale provided much-needed funds for long-term strategic capital and digital investment, and for restructuring the organisation. While the sale of land assets has provided resources to allow RTÉ to address its underinvestment in infrastructure and technology, it will not solve the requirement to increase investment in programming and content or fund operational deficits.

# Financial Review (continued)

## How Your TV Licence Fee Is Used

The utilisation of licence fee monies received by RTÉ to fund its public services is reported in note 2 to the financial statements. The basis on which the licence fee is attributed to channels and services is set out in note 2(c).

RTÉ attributes public funding to individual services in a way that reflects the net cost of the public service. The net cost of public service is determined by deducting the contribution from commercial activities from the gross cost of delivering the public service.

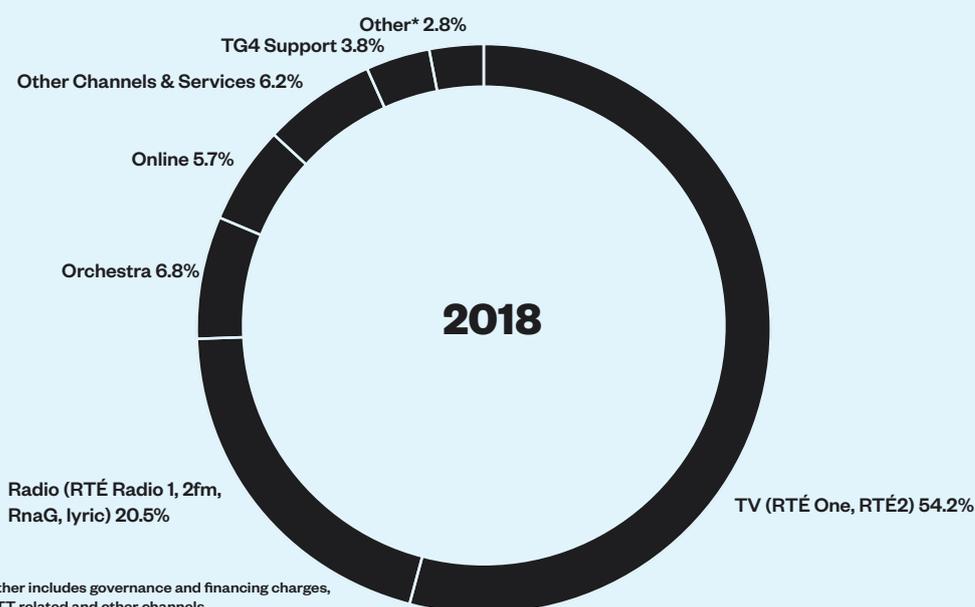
The following table represents how an individual TV licence fee is used, bearing in mind that RTÉ is not the sole recipient of TV licence fee monies:

### Utilisation of Each TV Licence Fee Collected

	2018 €	2017 €
RTÉ One	<b>48.47</b>	45.16
RTÉ2	<b>24.99</b>	29.65
RTÉ Television	<b>73.46</b>	74.81
RTÉ Radio 1	<b>11.58</b>	12.74
RTÉ 2fm	<b>3.34</b>	4.91
RTÉ Raidió na Gaeltachta (RnaG)	<b>8.57</b>	8.49
RTÉ lyric fm	<b>4.31</b>	4.47
RTÉ Radio	<b>27.80</b>	30.61
RTÉ Orchestras	<b>9.16</b>	9.50
Online Services	<b>7.73</b>	4.73
Other Channels and Services	<b>8.46</b>	6.82
Governance and Financing Charges	<b>3.09</b>	3.07
DTT Related	<b>0.71</b>	0.78
RTÉ Activities	<b>130.41</b>	130.32
	<b>82%</b>	81%
RTÉ Support for TG4	<b>5.08</b>	5.53
BAI Levy	<b>1.35</b>	0.97
TG4 Deduction	<b>3.04</b>	3.12
BAI Sound & Vision Fund	<b>10.53</b>	10.53
An Post Collection Costs and Related Charges	<b>9.59</b>	9.53
Non-RTÉ Activities	<b>29.59</b>	29.68
	<b>18%</b>	19%
Cost of TV licence	<b>€ 160</b>	€ 160

The pie chart below summarises the attribution of the TV licence fee revenues that were received by RTÉ to the public-service element of RTÉ's activities during 2018.

### ALLOCATION OF LICENCE REVENUE RECEIVED BY RTÉ IN 2018



## Cost Per Transmitted Hour

As part of its Annual Statement of Performance Commitments, RTÉ publishes the average cost per transmitted hour of programmes broadcast by channel. The table below provides this information for 2018, together with comparative figures for 2017.

2018	RTÉ One €'m	RTÉ2 €'m	RTÉ Radio1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
<b>Costs</b>						
Indigenous Programming	110.4	42.2	29.0	6.2	4.8	10.1
Acquired Programmes – Ireland	1.0	0.4	-	-	-	-
– Overseas	13.7	9.1	-	-	-	-
General Broadcast & Transmission Operations	12.5	9.5	4.6	4.2	0.7	0.6
Transmission & Power Charges	2.6	2.7	2.0	1.1	1.1	1.1
	<b>140.2</b>	<b>63.9</b>	<b>35.6</b>	<b>11.5</b>	<b>6.6</b>	<b>11.9</b>
<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,870	8,760	8,760	8,760
<b>Overall Average Cost per Transmitted Hour – 2018</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>All Transmission Hours</b>	<b>16,000</b>	<b>7,300</b>	<b>4,000</b>	<b>1,300</b>	<b>800</b>	<b>1,400</b>
<b>2017 (As Restated)</b>	<b>RTÉ One €'m</b>	<b>RTÉ2 €'m</b>	<b>RTÉ Radio1 €'m</b>	<b>RTÉ 2fm €'m</b>	<b>RTÉ lyric fm €'m</b>	<b>RTÉ RnaG €'m</b>
<b>Costs</b>						
Indigenous Programming	106.9	43.5	30.3	8.0	4.9	10.0
Acquired Programmes – Ireland	1.8	0.3	-	-	-	-
– Overseas	13.3	11.6	-	-	-	-
General Broadcast & Transmission Operations	10.8	10.5	4.7	3.3	0.6	0.5
Transmission & Power Charges	2.6	2.8	2.0	1.1	1.1	1.1
	<b>135.4</b>	<b>68.7</b>	<b>37.0</b>	<b>12.4</b>	<b>6.6</b>	<b>11.6</b>
<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,871	8,760	8,760	8,760
<b>Overall Average Cost per Transmitted Hour – 2017</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>All Transmission Hours</b>	<b>15,500</b>	<b>7,800</b>	<b>4,200</b>	<b>1,400</b>	<b>800</b>	<b>1,300</b>
<b>Annual Movement</b>						
<b>% Change in Cost per Hour<sup>1</sup></b>						
<b>All Transmission Hours</b>	<b>3.6%</b>	<b>(6.8%)</b>	<b>(3.7%)</b>	<b>(6.8%)</b>	<b>1.2%</b>	<b>2.7%</b>

1. Costs per hour are rounded to nearest hundred euro. Percentage changes are calculated from the costs per hour before rounding.

Changes in average cost per transmitted hour are due to changes in programme costs due to a range of factors including changes in programme type and programme mix, levels of co-funding, the number of first transmission hours and repeat programming.

# Who We Are

## Television

RTÉ ONE

RTÉ ONE **+1**

RTÉ 2



RTÉ News **NOW**

## Radio

RTÉ RADIO 1

RTÉ **2** FM

RTÉ lyric fm

RTÉ RAIDÍO NA GAELTACHTA

RTÉ **2><M**

RTÉ pulse

RTÉ RADIO 1  
**EXTRA**

RTÉ **GOLD**\*



RTÉ radioplayer **ó**

## News and Current Affairs

RTÉ News & Current Affairs

## Sport

RTÉ Sport

## Digital

RTÉ.le

RTÉ **PLAYER**

RTÉ AERTEL

RTÉ Archives

RTÉ News **NOW**

## Orchestras, Quartet and Choirs

RTÉ NATIONAL SYMPHONY ORCHESTRA

RTÉ CONCERT ORCHESTRA

RTÉ CONTEMPO QUARTET

RTÉ PHILHARMONIC CHOIR

RTÉ Cór na nÓg

RTÉ CÓR LINN

RTÉ **GUIDE**

**SAORVIEW**

2r*n*



# RTÉ NEWS & CURRENT AFFAIRS

RTÉ News & Current Affairs got the year off to a big start, as Keelin Shanley and Caitriona Perry took over as main anchors on RTÉ's flagship early evening news programme *Six-One*. Meanwhile, Ireland's only news service for children, *news2day*, welcomed first-time television presenter Cillian Sherlock to the programme following a call out to media and journalism graduates across the country. Across the year, RTÉ also welcomed a new Northern Correspondent and a new Political Correspondent, while RTÉ *Prime Time* presenter David McCullagh joined a new *This Week* team on RTÉ Radio 1.

Brexit dominated the global and local headlines, and RTÉ News & Current Affairs was on the ground in Brussels, Belfast, London and Dublin as the story unfolded. Europe Editor Tony Connelly won plaudits for his reporting, while RTÉ also launched a podcast, *Brexit Republic*, as part of its digital-first strategy. RTÉ and BBC Northern Ireland teamed up for a special, live Brexit programme, with Claire Byrne broadcasting from Belfast and the BBC's Stephen Nolan in Dublin.

While Brexit was a constant theme, the weather was a regular visitor too. RTÉ News & Current Affairs provided essential services to the nation as several major weather events brought the country to a halt. RTÉ stayed on air – on radio, television and online – with critical updates and developments from all over the country.

There was extensive coverage of the referendum to repeal the Eighth Amendment. RTÉ hosted two live television debates and, when polls closed, an exit poll showed that Ireland had voted two-to-one to remove the constitutional ban on abortion. A second vote in October saw Michael D. Higgins returned as Uachtarán na hÉireann and blasphemy was removed from the constitution – both were covered in-depth across television, radio, mobile and online.

RTÉ and TG4 announced a new phase of partnership between the two public-service media organisations as the *Nuacht RTÉ* bulletins on RTÉ One and RTÉ News Now re-launched with a new look and feel. The new brand, *Nuacht RTÉ le TG4*, acknowledged the partnership between the broadcasters on air. More than 420,000 viewers tuned in to *Nuacht* programmes on RTÉ One or TG4 each week.

RTÉ was the host broadcaster for the visit of Pope Francis to Ireland, providing comprehensive live coverage of every public engagement, free to Irish, European and other international broadcasters, as well as a range of documentary, live and factual output. In December 2018, work began on a major refurbishment and technical upgrade of RTÉ's main news studio. Studio 3 is the busiest television studio in Ireland, broadcasting more than 1,700 news bulletins and programmes each year, and this was the first refurbishment of the busy studio in 10 years.

## RTÉ Investigates

The gold standard of RTÉ's journalism, in 2018 RTÉ Investigates again made headlines with ground-breaking reports. In April, it focused on the case of three girls who were abused at a foster home in Co. Galway. The case raised serious questions about how the HSE responded to the initial reports of abuse.

*Troublemakers* highlighted the adverse experiences of some families who raised concerns about loved ones in long-term care. In some cases, it found access to visiting their family member had been restricted. Following the programme, the HSE revealed it would review the cases highlighted.

A six-month undercover investigation revealed the ever-increasing problem of illegal dumping and how councils regulate and prosecute waste offenders.

RTÉ Investigates also examined the marginalisation of Travellers, among whom there is an 80% unemployment rate and a suicide rate that is six times the national average. *Travellers, Lives on the Fringes* revealed that 25% of homeless children living in emergency accommodation outside of Dublin are Travellers.

*Land of Hope & Homeless* examined Ireland's housing crisis, showing how residential land is not being developed near the scale required, while an eight-month investigation shone a light into the illegal trade in steroids in Ireland and how they're now cheaper and more accessible than ever before – with potentially catastrophic side effects.

***Land of Hope & Homeless* examined Ireland's housing crisis, showing how residential land is not being developed near the scale required.**



## FACTUAL

### RTÉ One

More than 20 series formed the mainstay of the popular factual output on RTÉ One in 2018. Highlights included the ever-popular *At Your Service*, *Operation Transformation*, *Daniel and Majella's B&B Road Trip*, *Find Me a Home*, *Francis Brennan's Grand Tour*, *Lords and Ladles* and *Raised by the Village*, which explored whether the influence of a village could change the outlook of troubled teens.

### RTÉ2

Observational series *The Rotunda* proved a popular success with audiences, while the critically acclaimed two-part transgender documentary series *My Trans Life* – alongside popular youth offerings such as *First Dates*, *Don't Tell the Bride*, *Say Yes to the Dress* and *This Crowded House* – saw RTÉ2 focus consistently on the needs and interests of younger audiences.

In 2018, as part of One RTÉ, factual commissioning and in-house production were remodelled and brought together to form the new RTÉ Factual Group. On the commissioning side, four new pillar areas – documentaries and series, popular factual and factual entertainment, specialist factual, and religious programmes – were established. RTÉ's in-house factual production was centralised with the RTÉ Radio 1 *Documentary on One* team and the television

Documentary Unit coming together to form RTÉ Documentaries. This team has started to produce bespoke RTÉ Player original content and will work closely with the team in RTÉ Cork to deliver factual content across all platforms.

This new One RTÉ approach will bring renewal to the schedule and offer audiences a greater range of stories and ways to engage with RTÉ. Most of all, it will offer consistency and quality across all of RTÉ's schedules.

In 2018, RTÉ continued to see strong performances in peak-time television. Highlights for the year included *Whistleblower*, a two-part telling of the Maurice and Lorraine McCabe story, which averaged a 42% share; and *Orla Tinsley: Warrior*, which the Irish Kidney Association credited for a surge in donor card uptake. Elsewhere *An Irish Solution?* from the *Would You Believe* team was credited by both sides of the abortion referendum debate as handling the topic in a mature, compassionate manner.

On radio, the *Documentary on One* team continued its success with top-quality documentaries on a wide range of subjects. *In Shame, Love, In Shame* told the story of Peggy McCarthy, an unmarried Listowel woman who died in childbirth having been turned away from two different hospitals. Other highlights included *The Summer of Astral Weeks*, which told how Van Morrison's iconic album was recorded, and *Notes on a Belfast Rape Trial*, which featured interviews with barristers for the prosecution and defence.

In commissioned programmes, Sundays were characterised by big, entertaining series such as *Room to Improve*, *Great House Revival* and *Who Do You Think You Are?* These series delivered consistent audience numbers at key scheduling points in the year.

Some of our strongest performers in the slot were personal stories told by well-known faces. In *Philly McMahon's Hardest Hit*, the much-loved Dublin GAA star looked at the current state of drug use and rehabilitation in Ireland, sharing very personal memories of his older brother, who died prematurely from drug abuse. Baz Ashwamy looked at our growing and unhealthy relationship with gambling in *All Bets Are Off* and, in *We Need to Talk About Mam*, Brendan Courtney tackled the issues of planning for retirement with his own mother who, like himself, never really made provision for her life after work. All of these programmes took big social issues, but delivered bigger and younger audiences by adopting a first-hand approach and an accessible and engaged narrator.

### Keeping It Special

The specialist slate continued to evolve in 2018, with a series of powerful, fresh projects complementing more familiar, returning titles. Among the highlights that debuted in 2018 were *Stressed*, *My Broken Brain*, *School Life*, *Election 18* and *Ireland After the Rising*. *My Other Life*, a documentary on youth mental health made by a group of young film makers in Cork, was an impactful and strong one-off programme that played on RTÉ 2 in October.

In the year of Pope Francis' visit to Ireland, *The John Pauls* offered a charming and insightful portrait of how Ireland has changed since the last papal visit through the eyes of the generation named after John Paul II.

**The new One RTÉ approach will bring renewal to the schedule and offer audiences a greater range of stories and ways to engage with RTÉ.**



## DRAMA AND COMEDY

### Project Laughter

RTÉ's support for homegrown talent, with *Callan's Kicks* on radio and *The Doireann Project* on RTÉ Player, combined with television partnerships here and overseas, saw our continued investment in shows such as *Mrs Brown's Boys* and *The Young Offenders*.

RTÉ's commissioned scripted comedy output continued to build in 2018. *Finding Joy*, Amy Huberman's scripted comedy series, was funded by RTÉ, the BAI's Sound & Vision scheme and Acorn Media Enterprises.

The innovative *The Tommy Tiernan Show* returned in 2018, as well as *Can't Cope Won't Cope*, *Bridget & Eamon* and *Hardy Bucks*.

RTÉ co-commissioned with UKTV a new scripted comedy series, *Women on the Verge*. Filmed in London and Dublin, it was co-created by Sharon Horgan and starred Kerry Condon, Eileen Walsh and Nina Sosanya.

Additionally, in 2018 the comedy team also developed scripted comedy pilots in partnership with Screen Ireland. Four pilots will be broadcast in 2019.

### RTÉ Radio 1

RTÉ Radio 1's *Drama on One* employed 18 Irish writers, 82 actors and musicians, and broadcast 19 new Irish radio plays. Four plays were commissioned as part of 100 Years of Suffrage.

*Drama on One* productions were honoured with many awards, including the prestigious Special Mention at the Prix Italia for Stephen Jones' *From Eden*.

*Drama on One*'s playwrighting competition, the PJ O'Connor Awards, attracted a great response, with *Ma* by Elaine Murphy the eventual winner.

### Ireland on Screen

Illustrating how public financing can work easily alongside commercial investments, series two of Blinder Films' *Striking Out*, featuring Amy Huberman and Neil Morrissey, was co-financed by RTÉ, DCD Rights, Acorn Media, the BAI and Section 481 (Irish film and television tax relief scheme). The series' share increased to 37.5%; it launched on Acorn in the US and Canada, and on 5 Select in the UK, and was sold to Sundance TV Global.

RTÉ One screened *Taken Down*, a five-part drama about sex trafficking set in the world of direct provision. The series, featuring Brian Gleeson and produced by Spiral Pictures, was financed by RTÉ, Fremantle International, Section 481, the BAI and ARTE. It has also been sold to BBC.

*Fair City* gained a new, bigger set and HD gallery, which meant RTÉ could broadcast the show in HD.

**RTÉ Radio 1's  
Drama on One  
employed 18 Irish  
writers, 82 actors  
and musicians, and  
broadcast 19 new  
Irish radio plays.**

### RTÉ Player

RTÉ commissioned five 20-minute dramas for RTÉ Player under the Storyland banner, which aims to find new writers, producers, directors and actors from Ireland. As a result, more women are working as creative producers and writers in RTÉ's entry-level commissions. Storyland was co-financed by NI Screen, which has agreed to increase its investment in 2019.

RTÉ Player originals take centre stage on the new platform. Illustrator and comedic talent Aoife Dooley debuts her first animation series, *Your One Nikita*. *We Run the World* follows five female athletes, including Nicci Daly, Hockey World Cup silver medal winner; Phil Healy, Ireland's fastest woman; and Sarah Carey from Limerick's royal hurling family. Panti Bliss hits our screens in *The Panti Monologues*, as well as series from Roz Purcell, Carl Mullan, Jennifer Zamparelli and many more.

### Development and Co-production

For the first time, RTÉ launched several television drama series co-developments with Screen Ireland and co-developed with a growing number of international broadcasters.



# ENTERTAINMENT AND MUSIC

## Bringing People Together

RTÉ continued to bring families and communities together for shared viewing experiences with shows such as *The Late Late Show*. In October, it broadcast from London for the first time in almost 40 years. *The Late Late Toy Show* was once again the most-watched programme of the year. The inclusion of participants who represented our audience in a way that truly reflected the nation's diversity was one of the elements that made the show especially impactful.

*Dancing with the Stars* and *Ireland's Fittest Family* were both key in bringing families and friends together for shared viewing experiences. Audiences were genuinely engaged with the challenge celebrities took up in *Dancing with the Stars*, while in *Ireland's Fittest Family* they cheered for families like themselves from all over Ireland.

On a weekly basis, *The Late Late Show*, *The Ray D'Arcy Show* and *Brendan O'Connor's Cutting Edge* delivered content that was enjoyable, engaging and relevant to our audience's life experiences. These programmes continued to provide a powerful platform for new voices to be heard alongside more established ones.

The range of events featured in our output during the year reflected the broad mix of interests amongst our audience. These ranged from the IFTA Film and Drama Awards to the Eurovision Song Contest and from the Saint Patrick's Festival to the Rose of Tralee.

## RTÉ One

RTÉ's popular Saturday-night game show *Winning Streak* reached a milestone in 2018 as it rolled out the red carpet for its 1,000th episode. One of Europe's longest-running game shows, *Winning Streak* has featured 5,925 players since the first episode was broadcast on the 21 September 1990, who have won a whopping €168 million between them.

Our coverage of *Other Voices* continued to showcase the best in Irish contemporary music. The special edition featuring The Villagers, which was filmed in Ballina, was a particular highlight. 2fm was given the opportunity to bring *2fm Rising* acts to *Other Voices* in Ballina and Dingle. Both shows drew big crowds to see a selection of new Irish acts. Based on these shows, four *2fm Rising* concerts are being scheduled for 2019.

## New Music, New Voices

RTÉ continued our stewardship of the RTÉ Choice Music Awards, which featured prominently on 2fm and RTÉ2. This event – and the lead up to it – provided support and exposure to both established and upcoming performers.

Traditional music featured across our output and was highlighted in our coverage of the Fleadh Cheoil on RTÉ One.

2fm's Play the Picnic gave bands the opportunity to compete to play at Electric Picnic. Twelve acts got to play at the festival, with the most popular going on to perform on the Cosby Stage.

*Niall Horan with the RTÉ Concert Orchestra*, was a new collaboration between the Irish artist and the orchestra. It was broadcast on RTÉ One and 2fm, and the audio recording was subsequently released commercially.

RTÉ continued our stewardship of the RTÉ Choice Music Awards, which featured prominently on 2fm and RTÉ2.

Jenny Greene and the RTÉ Concert Orchestra played a new set of club classics in several locations around the country including Dublin, Cork and Galway. Part two of The Story of Hip Hop, featuring DJ Mo-K and the orchestra, was performed at Longitude and Electric Picnic.

## RTÉ 2FM

The *2fm Rising* stage at 2018's Body&Soul festival in Ballinlough, Co. Westmeath was dedicated to championing new Irish artists. A curated list of 12 artists and acts included Ships, Le Boom, Laoise, Lyra, Mango x Mathman, Fontaines D.C., Search Party Animal and DAY\_S. *2fm Rising* is an integral part of 2fm's role as a public-service media station for Irish youth, giving airplay to emerging talent and making new music discovery integral to the service.

## Digital Radio

RTÉ Gold, which has been broadcasting on RTÉ's digital platforms for the past 10 years, firmly established itself as Ireland's premium digital-only radio service in 2018. The daytime schedules were enhanced, featuring new presenter-led slots with Will Leahy, Rick O'Shea and, in early 2019, the station welcomed the legendary Larry Gogan.

RTÉ Pulse, Ireland's only digital dance music radio station, continued to reflect the evolving dance music scene in Ireland, broadcasting live from RTÉ's Digital Bunker. Featuring some of Ireland's leading and emerging DJs, including Niall Redmond, DJ Tom Lowe, Christian Homan and Dave Treacy, the service delivers a high octane mix of deep house, trance and techno.



# ARTS AND CULTURE

**The RTÉ Concert Orchestra is moving towards the centre of RTÉ content, providing a range of amazing live and broadcast performances of orchestral music across many genres.**

RTÉ aims to make work that is emotionally enriching and inclusive, maximises audiences and challenges perceptions and assumptions around arts and culture. Using inventive approaches and collaborations, we bring arts and culture to the widest audience.

In October, RTÉ arts and culture delivered the inaugural *RTÉ Radio 1 Folk Awards* in Vicar Street, Dublin. This sold-out event honouring Irish artists and musicians was broadcast live on RTÉ Radio 1 and made available on the RTÉ Player. It kicked off with a multimedia campaign across television and radio, online and public participation to find Ireland's favourite folk song.

In 2018 RTÉ began streaming arts events to bring cultural content to as wide an audience as possible, regardless of where they are. For example, we streamed *// bravo* from the International Wexford Opera Festival. We also live streamed the RTÉ National Symphony Orchestra's Music in the Classroom initiative from the National Concert Hall, bringing the event into the classrooms of Ireland to the great delight of music teachers and pupils.

During Culture Night, the RTÉ Concert Orchestra performed in front of 10,000 people in the National Museum of Ireland at Collin's Barracks. More than 100,000 others accessed the night of culture in Dublin through a live radio broadcast, RTÉ's social media and a live stream across RTÉ digital channels, including the Arts and Culture digital channel [RTE.ie/culture](http://RTE.ie/culture).

The RTÉ Concert Orchestra is moving towards the centre of RTÉ content, providing a range of amazing live and broadcast performances of orchestral music across many genres. This will give people in Ireland access to our music for their enjoyment and entertainment.

RTÉ commits to cherishing, protecting and innovating Irish arts and culture; nurturing artists; recognising the regional; building future archives; and supporting practitioners.

The arts and culture group in RTÉ is a fully integrated content unit, with people working collaboratively – from television, radio, digital and orchestras – to make great content that gives the people of Ireland the best access to arts and culture programming.

## **RTÉ Orchestras**

The RTÉ Concert Orchestra celebrated its 70th anniversary with a concert series at the National Concert Hall, in association with RTÉ lyric fm. In 2018, attendances at RTÉ CO performances increased by some 54,000 to 125,656.

Recording work included an album with Seán Keane and one featuring the voice of Christie Hennessy; the music for the Fishamble play *Before*; the score to *The Young Offenders* Christmas special; and a previously unrecorded 19th-century march by an Irish composer for RTÉ Radio 1's *Documentary on One*.

Projects in support of emerging talent included the Feis Geoil Orchestral Conducting Competition, the RDS Rising Stars concert, a collaboration with Irish Opera Collective and mentoring workshops.

Special events included a concert in St Patrick's Cathedral to mark Remembrance Weekend, a performance at the Clifden Arts Festival and anniversary celebrations for University Concert Hall in Limerick and Setanta Choir, Dundalk.

The RTÉ National Symphony Orchestra maintained its audience in 2018, with 82,555 people attending 74 performances.

Principal guest conductor Nathalie Stutzmann continued to attract full houses with international artists, including Alban Gerhardt, Vyacheslav Gryaznov, Ekatarina Siurina, Gijs van der Linden, Leon Kosavic, Veronika Eberle and Ray Chen, who performed Tchaikovsky's violin concerto in Dublin and Bucharest as part of the International Festival of Radio Orchestras, hosted by Radio Romania.

International guest conductors in 2018 included Jaimé Martin, Robert Trevino, Stanislav Kochanovsky, Harry Bicket and Alexander Vedernikov. The summer season included Mícheál Ó Súilleabháin's second and last performance with the orchestra before his passing in November.

In a year of highlights that included the opening of the 2018/19 season with Mahler's symphony no.2 "Resurrection" and celebrating Armistice 100 with Britten's War Requiem conducted by David Brophy, RTÉ welcomed the recommendations of Helen Boaden's report "Ensuring a Sustainable Future".



# RTÉ SPORT

RTÉ Sport had a remarkable year in 2018, and included national moments for a national audience on the national broadcaster.

The scale and scope of Irish sporting excellence was unprecedented; the Women's hockey team made it to the World Cup final, while the men's rugby team beat the All Blacks on Irish soil for the first time. The hockey team captured and thrilled a nation through dramatic penalty shootouts – and all with a beaming smile across the faces of each and every player. The victory over New Zealand capped an amazing year for the rugby team, which saw them record the 6 Nations Grand Slam in the spring. All those magical moments were captured across RTÉ radio, television and online.

While Ireland had the world rugby player and coach of the year in Johnny Sexton and Joe Schmidt, and the world rowing coach of the year in Dominic Casey, never before has Irish female sporting talent reached the heights of 2018. Sanita Pušpure, Ellen Keane, Kellie Harrington and Katie Taylor excelled at world level, each providing thrilling moments and inspiring future generations of female athletes.

Domestically, the summer of hurling scaled new heights of skill, speed and raw emotion as Limerick laid to rest a 45-year famine and Dublin's footballers equalled the great Kerry team with four All-Ireland titles in a row.

The Dublin ladies football team continued their dominance, as did the Cork camogie team, with the former winning the Brendan Murphy Cup in front of the largest crowd in Europe for a live female sporting event.

Also in 2018, the foundations were laid for the 20x20 campaign around women's sport, with not only a desire but a commitment from key stakeholders to increase attendance, participation and media coverage by 20% by 2020.

Three timeless documentaries were commissioned to complement RTÉ's live sport output and in-house programming. *Players of the Faithful*, from Loosehorse, told the story of the Offaly football team that famously ended Kerry's bid to become the first county to win five All-Ireland football titles in a row in 1982. *Jayo* painted a portrait of the life and career of the first modern GAA superstar – Jason Sherlock. And, for the first time, Katie Taylor, the world's greatest female boxer, allowed unprecedented access to her life in *Katie*.

**RTÉ Sport had a remarkable year in 2018, and included national moments for a national audience on the national broadcaster.**



# YOUNG PEOPLE'S

In 2018, RTÉjr and TRTÉ focused on great quality content that was always available, helping children to laugh, create and explore. A key innovation in 2018 was the Kids Mode on the RTÉ Player, which offers a curated library of all the best home-produced and acquired content under one roof. It provides a one-stop shop for kids to watch content when and where they want.

RTÉjr made a focused move into family entertainment in 2018. Leading the charge was rugby legend Donncha O'Callaghan. *Donncha's Two Talented*, produced by Adare Productions, saw kids mentor their parent or grandparent to perform a duet in a bid to wow our live audience.

In 2018, for the first time ever, the stars of RTÉjr came together to put on our Christmas panto spectacular, Vision Independent Productions' *The Greatest Show... That Never Was!* Think snowstorms, Christmas chaos and show-stopping singalongs with all your favourite RTÉjr faces. Premiering on RTÉ 1 in December, it proved a hit with family audiences.

It was also a strong year for Irish animation on RTÉjr. Ground-breaking series *Pablo* enjoyed a second 26-part run in spring 2018 with its unique depiction of a five-year-old boy's autistic imagination. New pre-school series *Mya Go* lit up the summer schedule, featuring the enthusiastic Mya as she discovers the world around her. *Peek Zoo* brought Irish writer/illustrator Kevin Waldron's books to life in a brand-new animation series, which featured the daily adventures of zookeeper Mr Peek and his kids, Tommy and Violet.

In 2018, RTÉ actively pursued a strategy of opening up the commissioning of drama for our 8-12-year-old audience. In Tailored Films' *Mini Moguls*, we meet our hero Grace, an entirely ordinary 14-year-old, who finds herself caught up in a dastardly plan by a super tech company to take over the world, one teenager at a time.

RTÉ's involvement with the EBU drama scheme went from strength to strength. *All in Good Time*, Dyehouse Film's 2018 comic fantasy about two children's ability to communicate through time, really resonated with festival audiences worldwide. Dyehouse won first prize from the Children's Jury at the Chicago Children's festival, second prize in The Children's day festival in Boulder Colorado and best international short film at the 2Annas ISFF in Riga.

January 2019 had a strong start with a brand-new series, *RTÉjr Goes Dancing with the Stars*. We will continue to enhance our offering across all age demographics and all platforms in our efforts to meet our audience, wherever they are.

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# IRISH LANGUAGE

**14 half hours of popular diverse content were broadcast on RTÉ One television and made available on RTÉ Player.**

RTÉ Cláracha Gaeilge brought new and returning series in 2018. In total, 14 half hours of popular diverse content were broadcast on RTÉ One television and made available on RTÉ Player. Many were subsequently broadcast on TG4 as part of RTÉ's statutory supply of content to the Irish-language broadcaster.

*Cloch le Carn* looked at the lives of Martin McGuinness and Jimmy McGee, while in the very personal *Lig Liom*, Bláthnaid Ní Chofaigh refused to make excuses anymore for being an Irish speaker.

*Scannal* returned with three new episodes, recalling the notorious criminal Martin Cahill, aka The General; the controversial 1996 Meath v Mayo All-Ireland Football Final replay; and the 1975 Miami Showband massacre. The series attracted an average 20.39% audience share and a summer repeat broadcast garnered 26.88% share.

*Good Evening Europe agus Anois... an Eurovision!* provided a nostalgic look at Irish Eurovisions from 1971, when we first hosted the contest, to the seventh and last time more than 20 years ago.

The Trip to Tipp in the early 1990s has gone down in Irish music folklore for all the best reasons. *Féile – an Turas go Tipp* captured some of that magic on the eve of the remake.

*The Geansaí* returned with stories that captured the spirit of Ireland's diverse sporting communities – rugby in the Gaeltacht, baseball and boxing.

*Ar Son na Poblachta* returned with a three-part series addressing the War of Independence, bringing some fresh insights and narratives of real people. RTÉ complemented its in-house output with a broad range of projects commissioned from independent companies throughout Ireland,

including a number of Gaeltacht-based companies. Productions included *Phil Lynott – Scéalta ón Old Town*; *Cosáin Cheoil*, a six-part co-production with BBC Alba; and *Slán leis an gCeol*.

## **New Partnership**

RTÉ and NUI Galway launched two new partnerships in 2018. A national Irish-language audience research project, *Fíos Físe*, in conjunction with TG4 will investigate the reach, satisfaction levels and listening habits of Irish speakers on the island of Ireland. A new MA programme combines online academic modules with significant periods of practice-based work experience in RTÉ in journalism, broadcasting and content creation for radio, television and online platforms.

## **Raidió na Gaeltachta**

Significant changes were made to RTÉ Raidió na Gaeltachta's schedules, with new, live and expanded programming on Saturday and Sundays, and further news bulletins. *Bláthnaid Libh* was extended and *An tSeachtain le Máirín Ní Ghadhra* is now live and longer. Cormac Ó hEadhra presents *Nuacht a hAon*, while Michelle Nic Grianna presents the drivetime programme *Tús Áite*. News bulletins returned to the evening schedule at 8pm and 10pm, Monday to Friday.

Traditional music has always been a huge part of RnaG's identity and Muireann Nic Amhlaoibh, the renowned singer and flute player, and Caoimhín Ó Sé, flute player and aficionado of traditional music, joined the highly respected team.



# What We Won in 2018

## RTÉ Investigates

RTÉ Investigates was honoured among the world's best with a New York Festivals prize for *Living on the List*, an exposé that revealed Ireland's hidden health service waiting list figures – as well as an IFTA and Celtic Media Festival Torc Award for Excellence for *Nightmare to Let*, its expose of substandard and dangerous conditions in Ireland's private rental sector.

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## Broadcaster of the Year

RTÉ Radio 1 was again honoured with the prestigious Broadcaster of the Year award at the 2018 New York Festivals International Radio Awards. Selected from finalists spanning 32 countries, this was the fifth time RTÉ won this coveted radio award.

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## International Radio Award

The RTÉ Radio 1 Documentary on One production *In Shame, Love, In Shame* won the International Radio Award at the 65th Premios Ondas Awards in Barcelona.

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## Full Service Station of the Year

RTÉ Radio 1 was named Full Service Station of the Year at the IMRO Radio Awards.

## **Designer of the Year in Consumer Media**

The *RTÉ Guide* won Designer of the Year in Consumer Media at the Irish Magazine Awards following the refresh and new look of the magazine, launched in Spring 2018.

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## **RTÉ Supporting the Arts**

RTÉ Supporting the Arts was named as a leading cultural sponsor alongside Audi, Accenture, Dublin Airport DUB, ESB and Bord Gáis by Allianz Business to Arts.

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## **IBC Innovation Award for Content Everywhere**

Saorview Connect won the prestigious IBC Innovation Award for Content Everywhere at a ceremony in Amsterdam.

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## **Best Animated Short**

The animated short *Late Afternoon* was awarded Best Animated Short at the 2018 Tribeca Film Festival. Starring Fionnula Flanagan, it was produced for Cartoon Saloon and funded under the Irish Film Board & RTÉ #Frameworks short film scheme.

# MORE DIVERSE, MORE INCLUSIVE

## RTÉ is committed to inspiring leadership in diversity and inclusion.

### 1. Diversity and Inclusion

In 2018, RTÉ launched a new strategy and vision for diversity and appointed a new head of Diversity. Diversity and inclusion awareness training for all staff is provided to ensure greater awareness around being authentic, inclusive (representative, respectful, accessible, open-minded), fair, acting with integrity and to hold everyone, including ourselves, to account.

### 2. Gender Balance and Equality

At 31 December 2018, 52% of the RTÉ workforce was male and 48% female. An independent review of role and gender equality in the organisation was published in November 2017 and, while more work has to be done, the report found the gap between male and female earnings in RTÉ is substantially less than the national average, at 4 per cent. In 2018 RTÉ focused again on the creation of broader diversity in the recruitment profile. At 31 December 2018, there were six women and six men on the Board of RTÉ.

### 3. Women on Air

Female presenters moved centre stage on RTÉ Radio 1 in 2018, as Claire Byrne joined Áine Lawlor in presenting *News at One*, while *Late Debate* announced three new presenters for 2018 – Sarah McInerney on Tuesdays, Katie Hannon on Wednesdays and Fionnuala Sweeney on Thursdays. Katie Hannon now presents *Late Debate* three nights a week. Meanwhile, Joanne Cantwell was announced as the next presenter of the iconic *The Sunday Game*.

### 4. Challenging Our Times

RTÉ's *The Big Picture* shined a light on gender equality in Ireland. It commissioned an emerging voice on the Irish spoken-word scene, Natalya O'Flaherty, to perform a very special piece, *Not Like Other Girls*, a powerful and personal reflection on the role of women and girls in society. In the year that marked 100 years of the women's vote in Ireland, the global #MeToo movement, issues around gender pay gaps and the passing of the abortion referendum, RTÉ's *The Big Picture* examined what it is to be a woman in Ireland in 2018.

### 5. Speaking Your Language

*Banter*, the successful series of public interviews, conversations and discussions hosted by RTÉ's Jim Carroll, presented a special *Banter* as Gaeilge event in January. *Binn Béal Ina Thost: Comhráite Ciotacha* (roughly translated as *Silence is Golden: Difficult Conversations*) explored our often-complex and difficult relationship with the Irish language.

Meanwhile, RTÉ took the opportunity to significantly increase the number of Irish-language commentary matches provided for the 2018 GAA Championships. Commentary options in both Irish and English were provided from the Super 8 and quarter-final stage onwards.

### 6. Taking Steps

In *Taken Down*, a detective investigated the violent death of a young Nigerian immigrant found abandoned close to a direct provision centre. It came from the team behind *Love/Hate*, including writer Stuart Carolan and best-selling novelist Jo Spain. *The Irish Times* said: "RTÉ's drama opened our eyes to an ugly Ireland we ordinarily never see."



RTÉ

# SUPPORTING COMMUNITIES

**RTÉ is committed to supporting local communities in sharing their stories, developing their creativity and hearing their voices.**

## **1. Art Attack**

RTÉ supports more than 130 arts and cultural events nationwide, every year, through RTÉ Supporting the Arts. From major events such as Culture Night or the Cork Film Festival, to local festivals, exhibitions and events, RTÉ actively partners to deliver major marketing campaigns that drive attendance and awareness. RTÉ Supporting the Arts is the major popular interface for the public in Ireland to keep up to date with their arts and artists. In 2018, Allianz Business to Arts named RTÉ in the top five arts and cultural supporters in Ireland.

## **2. Gaillimh Abú**

RTÉ also plays a leading role in a range of local and national initiatives. In 2018, RTÉ announced a major media partnership with Galway 2020, supporting events across all platforms and working alongside TG4.

## **3. A Nation on Its Feet**

RTÉ got Ireland moving in 2018; more than 100,000 people took part in the *Operation Transformation* Nationwide Walks events at more than 80 venues across the country. Meanwhile, Joe Duffy continued the support for local businesses with the return of Fiver Friday. Fiver Friday asked people to spend an extra €5 with a local business, retailer or supplier to boost turnover and save jobs. Businesses were invited to offer a Fiver Friday deal of their choice to encourage customers to spend their money locally. This small idea grew into a big campaign, with hundreds of businesses getting on board.

## **4. Fleadh-tastic**

As part of Fleadh Cheoil na hÉireann 2018 – the biggest traditional Irish music festival and celebration of trad music in the world – RTÉ broadcast live from Drogheda, celebrating with the 400,000 visitors, 10,000 musicians and 6,000 competitors who descended on the Louth town. The RTÉ Concert Orchestra also celebrated its very first appearance at Fleadh Cheoil na hÉireann.

## **5. National Treasures**

A new exhibition of objects, crowd-sourced from members of the public to tell Ireland's recent social history, opened in April at the National Museum of Ireland – Country Life, Turlough Park, in Castlebar. The exhibition grew out of RTÉ television's programme *National Treasures*, which saw John Creedon and a team of curators travel the country, assessing a fascinating mix of objects put forward by the public as potential "national treasures".

## **6. Being Dramatic**

The 66th RTÉ All-Ireland Drama Festival showcased the very best of Irish amateur theatre and attracted thousands of visitors to Athlone. RTÉ broadcast daily reports from the festival on RTÉ lyric fm, while a special edition of *Arena* on RTÉ Radio 1 came live from Athlone on the opening night. Nine drama groups from around the country performed and competed in the festival finals.



# TOWARD SUSTAINABILITY

**RTÉ is committed to sustainable environmental practice.**

## **1. Bye Bye Plastic**

In line with RTÉ's environmental policy and the targets of our award-winning sustainability programme, in 2018 RTÉ eliminated all single-use plastics within its canteen facilities and evolved a compostable option for drinking cups in collaboration with supplier Ballygowan.

## **2. Saving Energy**

RTÉ continued to implement innovative energy-saving projects, reporting to Sustainable Energy Authority of Ireland (SEAI) standards. RTÉ remains on target to achieve the specified SEAI 2020 commitment of a 30% reduction in energy usage by 2020.

## **3. Award Winning**

RTÉ was a proud finalist in the 2018 Pakman Awards, in the Professional Services Award and Waste Prevention Award categories. The awards, which are in their fourth year, are organised by Repak and recognise best waste-management practices in businesses, organisations, community groups and related initiatives in Ireland.

## **4. Lighting the Way**

RTÉ continued its LED lighting upgrade scheme, focused on a transition to energy saving in the TV centre

## **5. Making Our Mark**

In 2018, RTÉ completed an energy audit as part of a move towards ISO 50001 certification. ISO 50001 is based on the management system model of continual improvement, making it easier for organisations to integrate energy management into their overall efforts to improve quality and environmental management and to continually improve energy management.

## **6. Working Responsibly**

RTÉ has achieved the Business Working Responsibly mark, the only independently audited standard for CSR and sustainability in Ireland. The mark is audited by the National Standards Authority of Ireland and based on ISO 26000.

RTÉ



# FOSTERING IRELAND'S CREATIVITY

**RTÉ is committed to working with Ireland's independent production sector, supporting artists in Ireland and developing new voices.**

## 1. Creating Together

RTÉ is privileged to work with content creators from across the independent sector. In 2018, RTÉ worked closely with a range of independent production companies, delivering high-quality, distinctively Irish programming across television, radio and digital, from lifestyle (*Room to Improve*, *Coco Television*) to drama (*Taken Down*, *Octagon Films*) and factual (*The Game*, *Crossing the Line Films*).

## 2. Supporting the Sector

Supporting employment and development within the sector, total expenditure in 2018 was €41m, which is in excess of RTÉ's statutory obligation. A total of 595 hours (167 radio, 428 television) across a broad range of categories was commissioned with the Independent Productions statutory expenditure in 2018. For more details, see RTÉ's Independent Productions Unit Annual Report, on [www.rte.ie/about](http://www.rte.ie/about).

Through our activities, RTÉ remains one of Ireland's largest employers of actors, musicians, technicians, directors and producers.

## 3. Industry Backbone

RTÉ worked with 121 independent television production companies and 20 independent radio production companies in 2018.

## 4. Animating Ireland

RTÉ announced two new original Irish pre-school animation series for RTÉjr in 2018. *Mya Go* was a first-time dip into pre-school animation for Dublin-based Piranha Bar. The series, totalling 104 episodes, followed Mya as she discovers the world around her. Popular pre-school animation series *The Day Henry Met* kicked off its third season with a raft of new adventures for the lovable four-year-old.

## 5. Part of the Story

In 2018, RTÉ continued to support the development of the sector through its involvement in development schemes, by providing speakers for industry seminars and for film and television production training colleges, by participating in international co-production conferences, by providing support for producers seeking co-production partners, and through meeting with and giving guidance to emerging new companies.

## 6. Supporting Our Folk

RTÉ launched the inaugural RTÉ Radio 1 Folk Awards in 2018, which recognise Irish folk musicians as well as the historical and cultural significance the music holds in Ireland. Nine awards categories celebrated the best in Irish folk music, with awards for best traditional folk track, best group and best soloist.

## 7. Composing the Future

In October 2018, RTÉ lyric fm commissioned new work from three Irish composers. Maynooth-based composer Ryan Molloy was to write a concerto for Irish harp and orchestra to celebrate the station's 20th birthday. Composers Katie Neville and Elliot Murphy were commissioned to write works for the RTÉ Philharmonic Choir and the RTÉ National Symphony Orchestra Cello Octet, which will be performed at lyric's birthday concert in May.

The RTÉ Concert Orchestra, meanwhile, partnered with the newly formed Irish National Opera for Bartók's *Bluebeard's Castle* and Verdi's *Aida*, and once again performed as part of New Music Dublin.

The RTÉ National Symphony Orchestra, in partnership with the Contemporary Music Centre, was delighted to announce that Michael Doherty, Maria Minguella and Anne-Marie O'Farrell were the composers selected to participate in the third year of Composer Lab.

## 8. Future Voices

RTÉ 2fm, in association with BIMM Institute Dublin, once again offered a scholarship for the 2018/19 academic year. Nabil "NibZz" Jamal was chosen to study music and audio production.

Meanwhile, the inaugural RTÉ Creator of the Year, in association with MediaCon, invited young content makers based in Ireland to submit their work – the winner will receive a tailored creative mentorship development programme in RTÉ.

## 9. Choice Music

The RTÉ Choice Music Prize was established to encourage, highlight, showcase and promote Irish musical excellence.

In 2018, a panel of 13 media and industry professionals – representing Irish print, radio, TV, online and other assembled music professionals – selected the RTÉ Choice Music Prize short-list of 10 albums, released by Irish acts for the very first time in 2017, and 10 songs.

RTÉ's support has transformed the scale and scope of the prize, with the all-Irish-music days on 2fm, showcase events, a major awards ceremony and as-live coverage on RTÉ2.



RTÉ  
CHOICE  
MUSIC  
PRIZE

## GIVING BACK

**RTÉ is committed to highlighting issues of national importance and our people are personally committed to a better Ireland.**

### **1. Public Good**

The European Broadcasting Union (EBU) cited RTÉ's *The Big Picture* series as one of the landmark projects in its review *50 Ways to Make It Better*, which highlights practical and concrete solutions where the media is used for public good, helping to build trust in public-service journalism.

### **2. Showing Some Heart**

In February, the Irish Heart Foundation (IHF) launched its Show Some Heart campaign for Valentine's Day. It was supported by RTÉ 2fm radio stars Nicky Byrne, Bláthnaid Treacy, Eoghan McDermott, Tracy Clifford, Keith Walsh, Chris Greene and Ciara King. The IHF, in association with RTÉ 2fm, asked everybody to "show some heart" by buying a temporary heart tattoo – designed by award-winning graphic designer for film and TV Annie Atkins – to make a permanent change in the fight against heart disease and stroke.

### **3. Remembering Lives Lost**

*Drivetime with Mary Wilson* was also honoured with a special award as part of World Day of Remembrance for Road Traffic Victims 2018. The Irish Road Victims Association presented a Global Light of Hope Award to the *Drivetime* team for its continued coverage of road safety issues and the role it plays in "helping to change attitudes around driver behaviour" and "reducing the number of lives lost" on our roads. RTÉ also helped to mark and celebrate major national diversity initiatives such as World Down Syndrome Day and Gay Pride.

### **4. Our People**

RTÉ staff fundraised for a wide variety of causes, including the Capuchin Day Centre, the Alzheimer Society of Ireland, the Irish Motor Neurone Disease Association and the Irish Cancer Society among others.

RTÉ's own employee-donation scheme, the One World Fund, again supported a broad range of projects intended to enhance living conditions for communities in the poorer areas of the world through the funding of community-based projects.

### **5. Sleeping Out**

The RTÉ staff sleepout for Focus Ireland in October raised almost €17,000. In December, the Rick O'Shea Christmas Book Club Facebook Appeal raised €51,033 for the Peter McVerry Trust for homelessness. Members of the RTÉ Concert Orchestra also volunteered their services to play, to the delight of shoppers, in St Stephen's Green the week before Christmas, also raising much-needed funds for the Peter McVerry Trust.

### **6. The 2FM Christmas Ball**

Held in collaboration with MCD and in aid of the ISPOCC, the 2FM Christmas Ball took place in Dublin's 3Arena, raising more than €500,000 for the charity. Over the last three years, the 2FM Xmas Ball has raised almost €2 million for the ISPOCC. Headliner Hozier was joined by Walking on Cars, Keywest, Wyvern Lingo, Chasing Abbey, Wild Youth and Brave Giant, who performed live on the night. The 2FM Xmas Ball was hosted by all 2FM presenters, including Nicky Byrne and Jenny Greene, Eoghan McDermott, Bernard O'Shea, Jennifer Zamparelli and Keith Walsh, Tracy Clifford and more.

Everyone involved in the 2FM Xmas Ball provided their services free of charge on the night, including artists, organisers and the 3Arena. All of the funds raised from the annual concert go towards the provision of financial support for the 24-hour phoneline and ISPOCC services, which are dedicated to helping children throughout Ireland.



# PARTNERING FOR BETTER

**RTÉ is committed to partnership and leadership across a wide range of developmental sectors and with as broad a range of audiences as possible.**

## **1. Good Education**

RTÉ was delighted to once again support a whole range of educational conferences, projects and initiatives, many aimed at young people. From Coder Dojo to Schools Digital Champion, Lift to Inspirefest and the Junior Entrepreneur Scheme, RTÉ was both an active supporter and active partner. Once again, the RTÉ set at the BT Young Scientist and Technology Exhibition at Dublin's RDS saw RTÉ deliver an exciting three-day schedule of live broadcasts, events and activities in 2018.

## **2. Measuring Our Mood**

In February, RTÉ, Science Foundation Ireland (SFI) and the Insight Centre for Data Analytics, an SFI research centre, called on the public to download a new app called How Are You Ireland?, which was designed to assess the mood and stress levels of the nation. As part of its ongoing broadcasting partnership with SFI, RTÉ supported the scientists behind the How Are You Ireland? app by encouraging volunteers to take part.

## **3. Your Mental Health**

RTÉ launched a very special youth mental health initiative across a range of services in 2018. *The Big Picture – Youth Mental Health* aimed to shine a light on one of the most important issues in the country. RTÉ 2fm, RTÉ One, RTÉ Player, RTÉ Radio 1, RTE.ie, and RTÉ Raidió na Gaeltachta featured special programmes, interviews and features on the topic. *The Big Picture: Young and Troubled*, a documentary produced by members of the RTÉ Investigates team, looked at the reality of mental health issues among Ireland's young population and the crises in our services. Meanwhile, *My Broken Brain*, directed by Anna Rodgers, was a compelling film on acquired brain injury.

## **4. Growing Up, Together**

Science Week on RTÉ came back in 2018 with a full range of engaging science-themed content for people of all ages, across all platforms. The centre piece of Science Week on RTÉ was *Growing Up, Live*, an exciting live television series, presented by Angela Scanlon. It looked at the extraordinary development of humans from birth to death, from infancy to old age, in front of a live studio audience representing a cross section of Ireland's age population.

## **5. Meeting of Young People**

In June, Cruinniú na nÓg encouraged children and young people to participate in culture and creativity through performance, coding, theatre, art and music workshops, readings, screenings, special events and much more. The events were free, local and activity based, and RTÉ was proud to support hundreds of events nationwide.

## **6. RTÉ Brainstorm**

A unique partnership between RTÉ and Irish third-level institutions, the RTÉ Brainstorm website brings new thinking, new ideas and new perspectives into the public domain. It went from strength to strength in 2018, with more than 1,000 academics now contributing. It also became a cross-platform initiative when a radio programme launched in November 2018.



# DISTRIBUTION

### 2RN

2rn, a wholly owned subsidiary of RTÉ, maintains, manages and develops Ireland's broadcast transmission network for all broadcasters on the island. As custodians of Ireland's national broadcast transmission network, 2rn makes sure the nation is always switched on as 99.9% of the population access services provided by 2rn.

In early 2017, 2rn finalised an agreement with the Department of Communications, Climate Action and Environment in relation to migrating broadcast services out of the 700MHz frequency band by 2020. The implementation of this agreement is being overseen by ComReg. The migration has necessitated changes at a number of 2rn transmission sites and the construction of two new transmission sites. The majority of the works were undertaken in 2018, but the migration of affected viewers will not take place until 2019.

The Saorview and Saorsat services continued to make public-service television and radio services available free to every home in the State, offering high-quality video and audio. Of the 1.65 million television viewing homes in Ireland, 686,000 homes had Saorview at the end of 2018. In 190,000 homes, Saorview was the only means of watching broadcast television.

Despite some storms during the year, Storm Ali being the worst, 2rn delivered 99.9% availability across all services in 2018.

Overall, 2rn generated revenue of €27.8 million, a small decrease on 2017. This reflects the stabilisation of the broadcast market and a solid performance of the mast and tower rental market. There were no significant

changes in the local and regional radio market, as available spectrum capacity in the FM band is almost fully utilised. Consolidation of the mobile phone networks affected revenue and achieving year-on-year revenue stability in the telecommunication business remained challenging.

### Saorview

With the launch of Saorview Connect at the end of 2017 (Saorview's internet-connected offer centred around the Saorview DTT service), most of the focus of the year was on building awareness of Saorview Connect's features and the availability of the product. RTÉ worked with the manufacturer and distributor of the launch product and with retail to make the product readily available.

Since spring 2018, work has been underway with our partners on the next release of the software to enable recordings. The beta software, released in November, has been well received by the beta trialists and the new software is expected to be released to all Saorview Connect customers in 2019.

In September, Saorview Connect won the prestigious IBC Innovation Award for Content Everywhere.

During the year, a new radio station, Radio Maria Ireland, launched on Saorview. A number of channels are looking to secure capacity on the Saorview platform as well as content providers looking to offer apps on Saorview Connect.

Saorview is still the largest TV platform in Ireland in terms of availability in homes. For January 2019, Neilsen/TAM Ireland reports that Saorview is in 686,000 homes, which is 42% of all TV homes in Ireland.

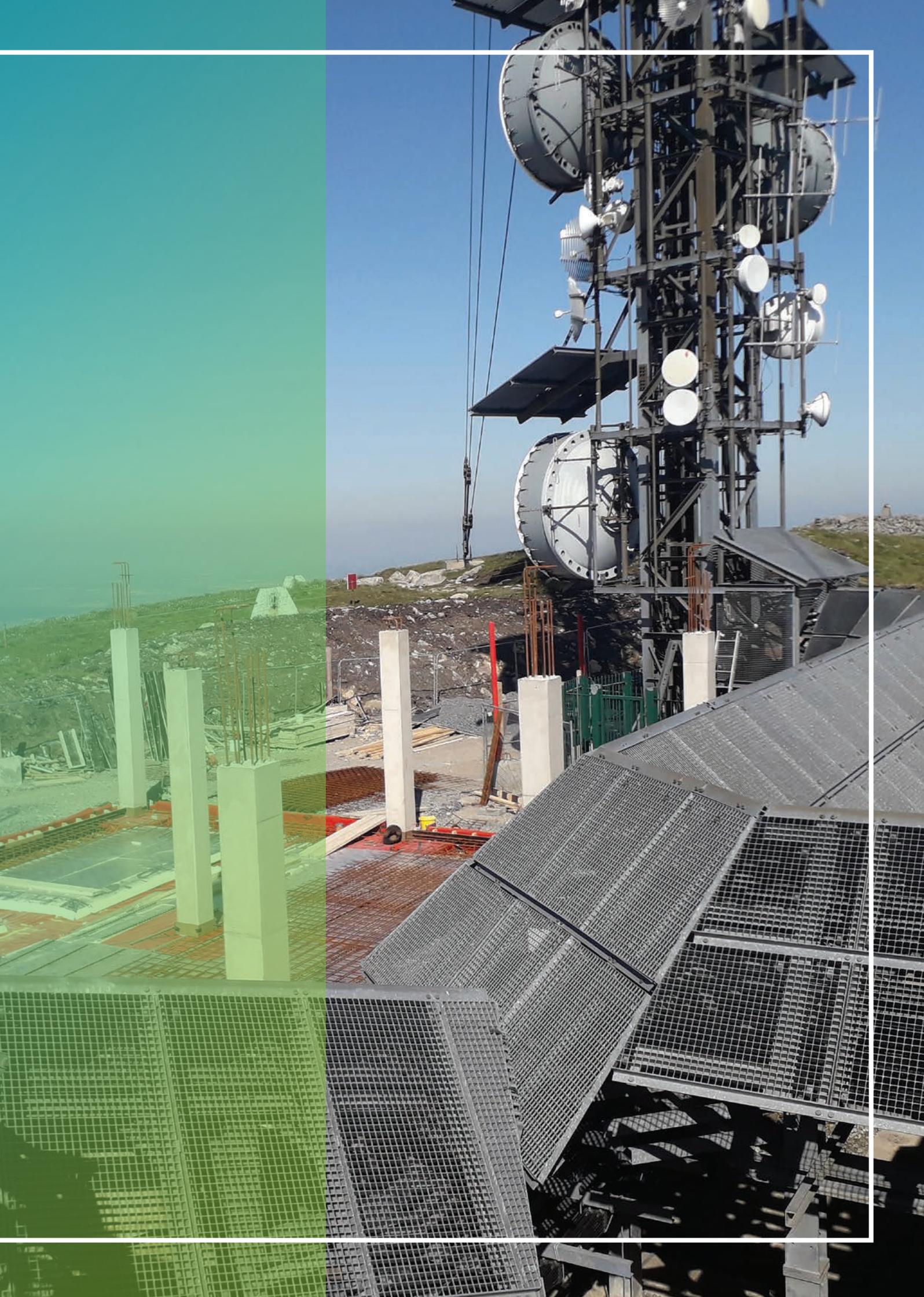
### RTÉ Guide

The *RTÉ Guide* continues to be Ireland's best-selling magazine. It delivers commercial revenues for RTÉ, while continuing to respond to audience needs in a fast-changing consumer media landscape. As well as featuring the most comprehensive TV listings, the editorial pillars of entertainment and, particularly, lifestyle have been extended, which has resulted in a broadening of the readership base. It has a robust weekly readership figure of 345,000 (TGI 2018), made up of 200,000 women readers and 145,000 men. In 2018, we saw growth in the younger demographics and the magazine now has the most younger women readers of any Irish magazine (67,000 25–44-year-old women)

The magazine continues to invest in editorial and content. It has undergone a redesign for which it won an Irish Magazine Award. The judges stated: "The winner has demonstrated an outstanding redesign, which has supported the strong performance of the title throughout 2018. It's a modernisation of an established brand to broaden its appeal without alienating existing readers."

Editorial partnerships, such as working with *Operation Transformation* to produce a 32-page magazine, continue, along with publishing *Taste*, a standalone, glossy food magazine.

The *RTÉ Guide* bumper Christmas issue continues to be an Irish publishing phenomenon, with sales of just under 300,000. This year's cover was designed by award-winning Irish children's illustrator/writer Marie-Louise Fitzpatrick.



# DIGITAL

## RTÉ Player

RTÉ Player, Ireland's leading broadcast video-on-demand service, continued to grow with a record number of streams in 2018.

RTÉ Player saw strong increases across the year, with monthly streams up from an average 4.4 million in January to November 2017 to 5.2 million in January to November 2018.

RTÉ recognised the need to enhance its RTÉ Player services to keep pace with audience expectations. The new RTÉ Player, with a significant library of online exclusive and archive content, launched at the end of 2018. Already much of the most-watched content on the new service has been programmes not available elsewhere, including new exclusive comedy, programmes from the archive and international box sets.

The new RTÉ Player, launched in December 2018, is packed with 1,000s of great titles to watch how, when and where the audience wants. No longer just a catch-up service, there are box sets galore, full seasons and series of your favourite Irish shows, as well as exciting new RTÉ Player originals from young, up-and-coming Irish talent.

RTÉ Player continues to provide catch up of all the latest shows, such as *The Late Late Show* and *Fair City*. Live TV has had a revamp, with an enhanced live-streaming experience across RTÉ One, RTÉ2, RTÉjr and News Now. We also have brand new RTÉ Player pop-up channels – RTÉ Archives and RTÉ Food.

RTÉ Player now has loads of box sets for audiences to binge on, with favourites from RTÉ's back catalogue such as *Love/Hate*; *RAW*; *Bachelor's Walk*; *Striking Out*; *Can't Cope*, *Won't Cope*; and *Fade Street* to name just a few. You can also watch classic and

brand-new international box sets such as *Dawson's Creek*, *Swedish Dicks*, *Clique*, *Berlin Station*, *Boss* and *Overshadowed*.

We've also got full seasons and series of favourite Irish TV shows: *Room to Improve*, *ROG*, *Kevin McGahern's America*, *Bressie's Ironman*, *Hardy Bucks*, *The Rubberbandits Guide*, *The Rotunda*, *The Tommy Tiernan Show*, *Bridget & Eamon*, and lots more.

With enhanced streaming and great new features and functionality, audiences can enjoy a better experience all round on the new RTÉ Player. Launched initially on web and mobile apps in December, a full suite of Smart TV apps will follow in 2019.

## RTÉ.ie

RTÉ.ie, Ireland's number one media site, saw continued growth throughout 2018, up from 54.1 million monthly average page views to 61.8 million. Unique monthly average users also rose from 6 million to 6.3 million. There was traffic growth in all key areas of the site, particularly in newer sections such as Culture, Brainstorm and Gaeilge.

Top stories this year for news, included Storm Emma, which brought large amounts of snow across the country in March; the tragic death of Justine Valdez; and our reports on the Eighth Amendment Referendum. Sport saw the dominance of GAA, with the hurling final outstripping the football final this year. Also, the women's hockey tracker was one of this year's top articles.

In lifestyle, top stories were around practical advice, such as when the clocks go back, as well as a continued interest in Meghan Markle. In entertainment, the death of Dolores O'Riordan and the winner of the Rose of Tralee were the top stories.

## RTÉ Archives

RTÉ Archives continued to explore ways of making more content from the collections of Ireland's national broadcaster available to our audiences. New content was published every day in 2018 through Archives Daily [www.rte.ie/archives](http://www.rte.ie/archives), with more than 6,000 stories to explore, while the RTÉ Archives News Collection 1985–1999 continues to grow online and 4,000 reports are currently available.

Partnerships and collaborations with the National Library of Ireland (Seamus Heaney Listen Now Again), the Gallery of Photography, the Nerve Centre, Derry (The Lost Moment Exhibition) and the National Museum of Ireland – Country Life, Co. Mayo (Travellers' Journey) brought RTÉ Archives content into new public spaces.

In 2018 work began with the Department of Education to bring RTÉ Archives content into the junior cycle history classroom in 2019.

The new RTÉ Player, launched in 2018, now has a dedicated RTÉ Archives channel offering a mixture of full classic television programmes and short-form clips.

## RTÉ News Now

In 2018, RTÉ News Now increased the number of broadcast live events, including key press conferences by European leaders on Brexit, by US President Donald Trump, by An Garda Síochána, and other national bodies. The service featured extended live coverage of Supreme Court judgments, the All-Island Civic Dialogues from Dublin Castle, and extensive coverage of Storm Emma. A dedicated Euronews programme each morning, and the *Raw Politics* programme every evening, focused on European issues. RTÉ News Now carried live in-vision signing for political party conferences, beginning with the Sinn Féin Ard Fheis, as well as for a special highlights programme of the Pope's visit to Ireland.



Photo: Ryan Menamara

# Statistical Information

## TOP 10 PROGRAMMES

1ST JANUARY – 31ST DECEMBER 2018

ALL CHANNELS CONSOLIDATED NATIONAL INDIVIDUALS AGED 4+

Counter	Description	Channel	Day of week	Date	Time	TVR	000s	Share%
1	The Late Late Toy Show	RTÉ One	Fri	30-11-2018	21:37-23:55	36.3	1550	72.36
2	RBS 6 Nations: England V Ireland	Virgin Media One	Sat	17-03-2018	14:43-16:48	22.9	976	70.94
3	Guinness Series Live: Ireland V New Zealand	RTÉ2	Sat	17-11-2018	19:02-20:55	21.7	927	56.02
4	2018 FIFA World Cup: Croatia V England	RTÉ2	Wed	11-07-2018	19:00-21:36	21.7	924	59.60
5	Room to Improve	RTÉ One	Sun	18-02-2018	21:31-22:32	20.2	860	53.24
6	All Ireland Senior Hurling Final: Galway V Limerick	RTÉ2	Sun	19-08-2018	15:30-17:11	20.0	854	72.97
7	All Ireland Senior Football Final: Dublin V Tyrone	RTÉ2	Sun	02-09-2018	15:31-17:11	19.7	841	70.49
8	RTÉ News: Six One	RTÉ One	Thu	01-03-2018	18:01-19:23	18.9	808	46.52
9	RBS 6 Nations: Ireland V Scotland	Virgin Media One	Sat	10-03-2018	14:14-16:20	17.1	729	69.44
10	RTÉ News: Nine O'Clock	RTÉ One	Thu	01-03-2018	21:00-21:35	16.6	707	37.33



Source: TAM Ireland Ltd/Nielsen TAM  
Any Day Any Time - Best Episode. Ranked by TVR (note universe changes three times per year)  
Minimum programme duration is 15 minutes

**CONSOLIDATED NATIONAL INDIVIDUAL  
4+ ALL-DAY CHANNEL SHARES (%)**

■ 2018 □ 2017



Source: TAM Ireland Ltd/Nielsen TAM

# Statistical Information

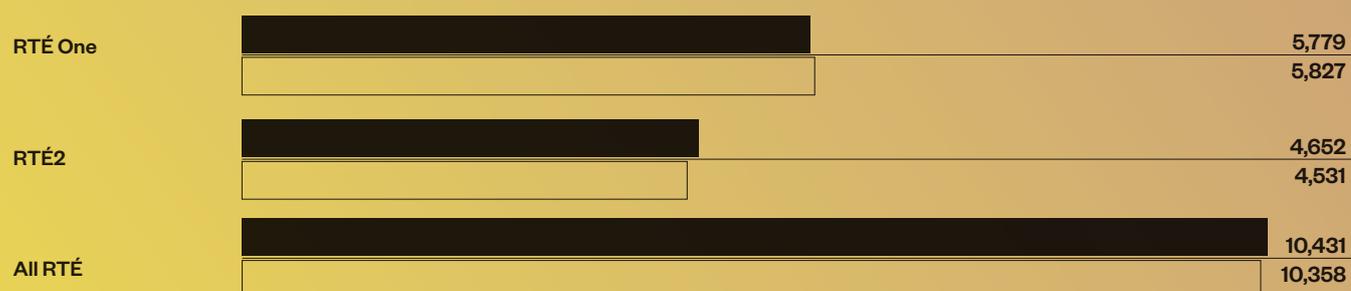
## INDIGENOUS HOURS BROADCAST ON RTÉ TELEVISION IN PEAK TIME BY GENRE

■ 2018 □ 2017



Source: RTÉ

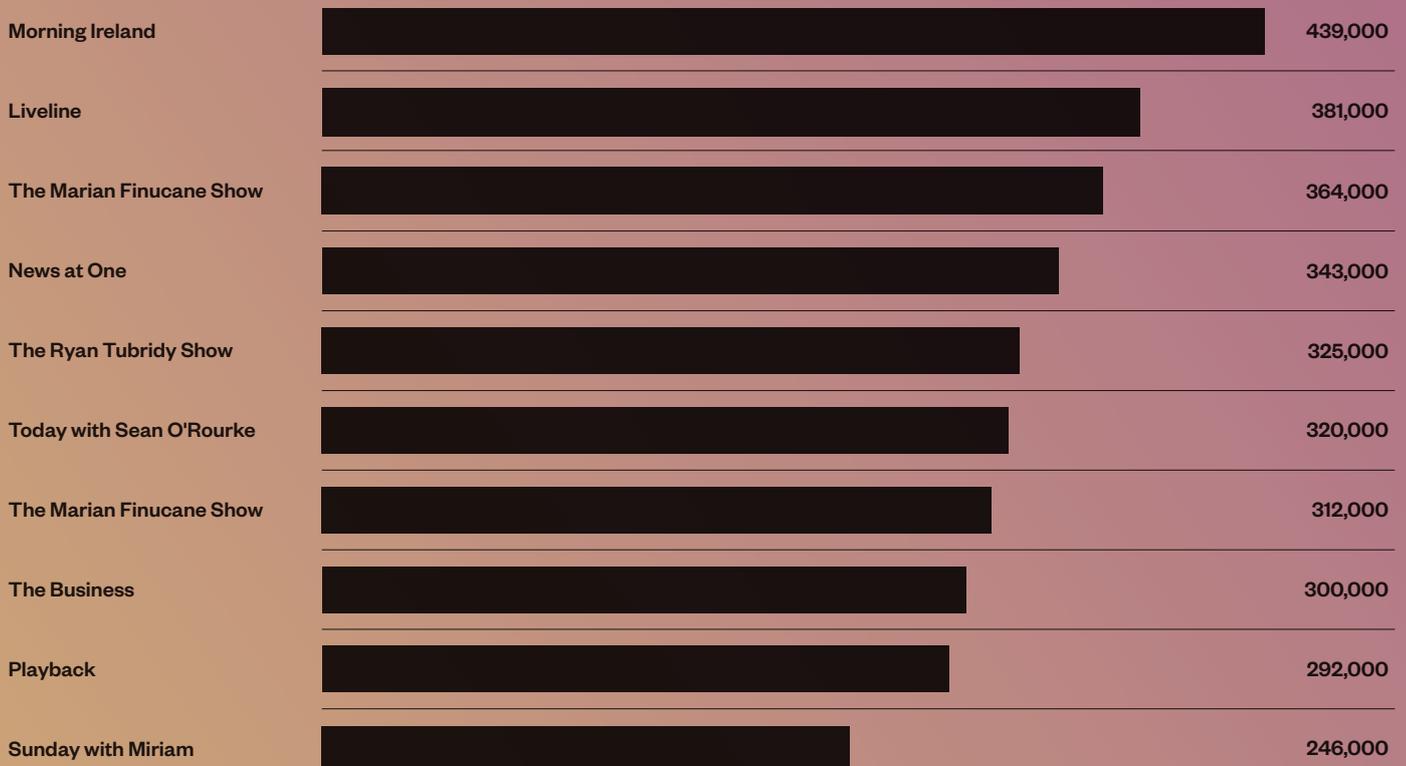
## SUBTITLING HOURS TELEVISION



Source: RTÉ

**TOP 10 ALL-WEEK NATIONAL RADIO PROGRAMMES – ADULTS 15+  
TIMEBLOCK REACH FOR NATIONAL COMMERCIAL STATIONS  
JANUARY – DECEMBER 2018**

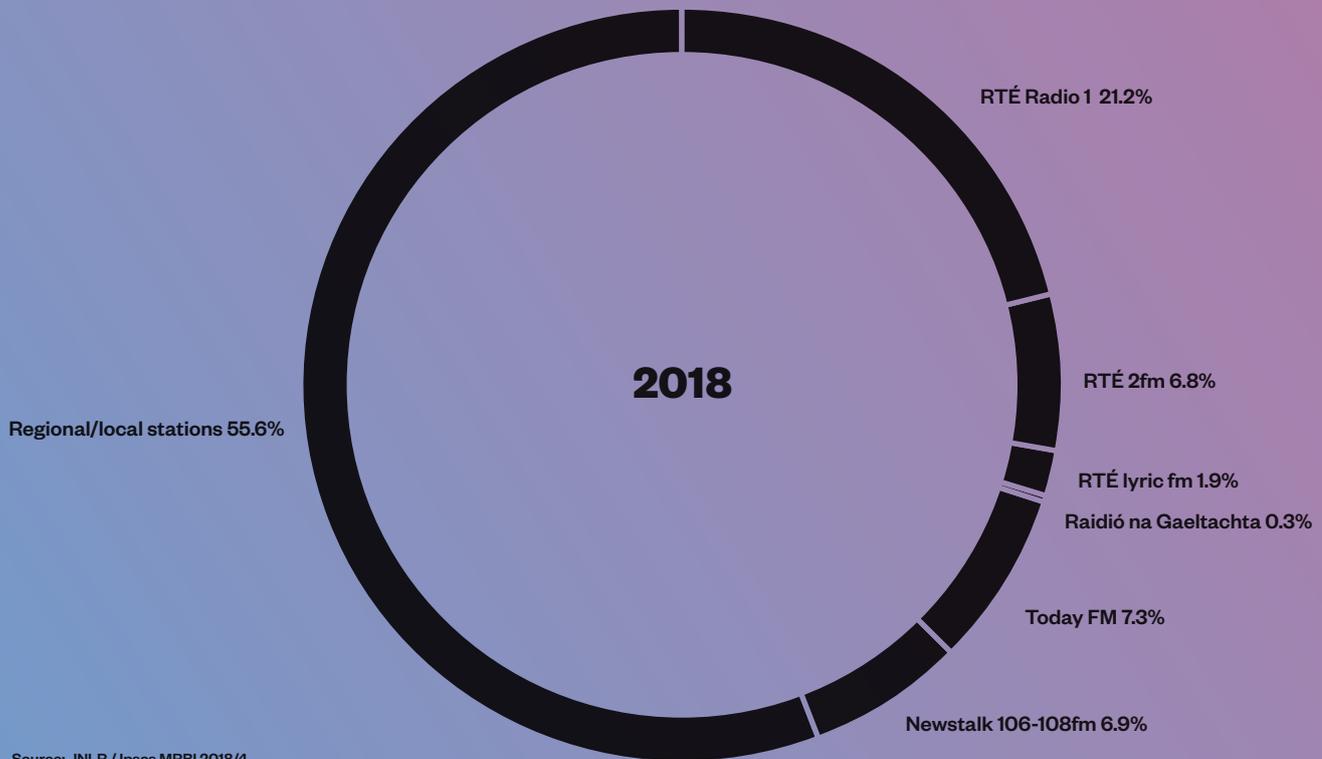
Rank	Programme	Station	Time-slot	Period	Adults 15+ Prog Reach	No. Of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	11%	439
2	Liveline	RTÉ Radio 1	13:45-15:00	Mon-Fri	10%	381
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	9%	364
4	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	9%	343
5	The Ryan Tubridy Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	8%	325
7	Today with Sean O'Rourke	RTÉ Radio 1	10:00-12:00	Mon-Fri	8%	320
6	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	8%	312
8	The Business	RTÉ Radio 1	10:00-11:00	Sat	8%	300
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	8%	292
10	Sunday with Miriam	RTÉ Radio 1	10:00-11:00	Sun	6%	246



Source: JNLR /Ipsos MRBI 2018/4

# Statistical Information

## NATIONAL SHARE OF RADIO LISTENING 2018 WEEKDAY/PEAK TIME



Source: JNLR / Ipsos MRBI 2018/4

## RTÉ RADIO HOURS BY GENRE

■ 2018 □ 2017



Source: RTÉ  
Note: Category "Other" includes, Religion, Young People's and Drama

**AVERAGE PAGE IMPRESSIONS PER MONTH ACROSS DIGITAL SERVICES (MILLIONS)**



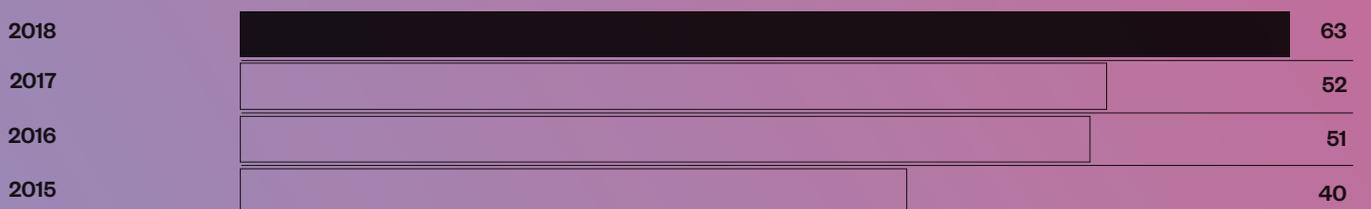
Source: RTÉ

**WEEKLY REACH OF RTÉ'S DIGITAL SERVICES 2018**



Source: RTÉ Data, 2018, Adults 18+

**RTÉ PLAYER STREAMS: 2015-2018 (MILLIONS)**

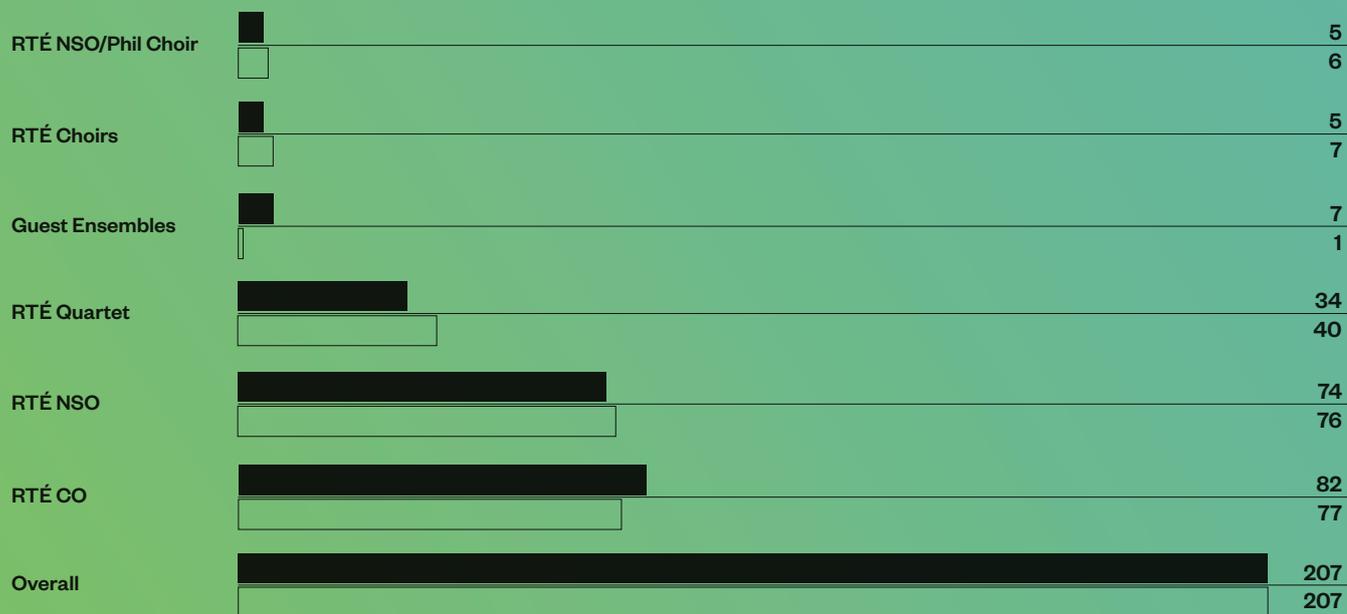


Source: RTÉ

# Statistical Information

## RTÉ ORCHESTRAS PERFORMANCES

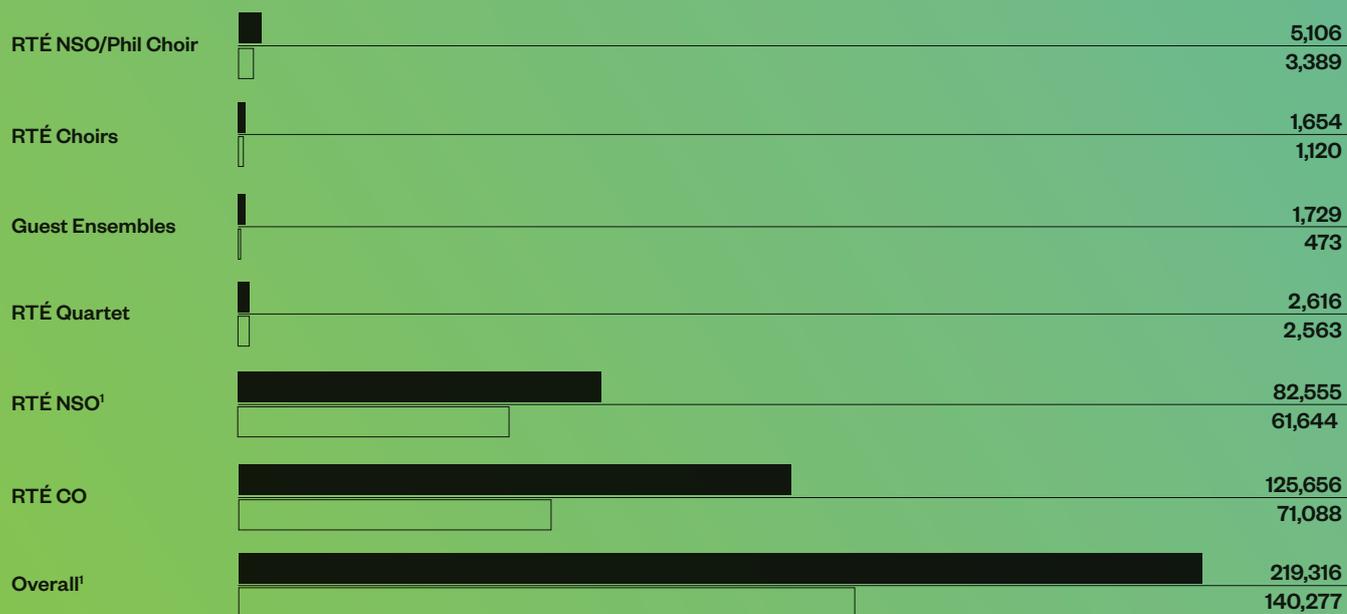
■ 2018 □ 2017



Source: RTÉ

## RTÉ ORCHESTRAS ATTENDANCES

■ 2018 □ 2017



Source: RTÉ

1. Attendance numbers for NSO events in 2017 have been adjusted on a comparable basis with 2018.



# Board of RTÉ



## **Moya Doherty, Chair**

**Term of office: 4 November 2014 – 6 November 2022 (Reappointed for a second term on 6 November 2017)**

Moya Doherty's career encompasses the creative industries, theatre, radio and television production and presentation, both in Ireland and internationally. She fronted a number of arts, features and documentary programmes for RTÉ. As executive producer, Moya produced a number of charity telethons, the Eurovision Song Contest and the televised opening ceremony of the Special Olympics in Ireland in 2003. Moya developed the original concept for Riverdance and was the Commissioning Producer for the Eurovision Song Contest of 1994.

She was a director of Tyrone Productions, one of Ireland's leading independent television production companies, whose output includes drama, documentary and entertainment programming. She was a founding director of the radio station Today FM.

Moya has sat on a number of arts-related boards, including seven years as chair of the Dublin International Theatre Festival, The Abbey Theatre, The Ark Children's Theatre in Dublin, and Business to Arts and Walnut Hill Arts School in Massachusetts.

Moya has received numerous awards and accolades, including the Veuve Clicquot Business Woman of the Year and the Ernst & Young Entrepreneur of the Year. She has also received honorary doctorates from the University of Ulster and the National University of Ireland in recognition of her ongoing commitment to the world of the arts in Ireland.



## **Dee Forbes, Director-General**

**Ex officio member following appointment as Director-General on 11 July 2016**

Dee Forbes was appointed Director-General of RTÉ with effect from 11 July 2016. Prior to taking up her role at RTÉ, Dee was based in London for more than 27 years, working for broadcasters and advertising agency Young and Rubicam.

Most recently she was President and Managing Director of Discovery Networks Northern Europe. Dee joined Discovery in 2010 as Head of the UK/Ireland operation and progressively grew her responsibilities to eventually lead the Northern Europe region, which included 18 markets and territories and 27 channels, both free-to-air and subscription, which broadcast to more than 276 million households across Northern Europe each month.

Before joining Discovery, Dee led Turner Broadcasting's business in the UK and Ireland, which consisted of seven entertainment channels, including Cartoon Network, Boomerang and TCM. She spent several years working at Turner in a variety of commercial roles, including General Manager for the Nordic/Central and Eastern Europe and EMEA regions, and Head of Advertising Sales for Europe.

Dee is a former non-executive director of the board of *The Irish Times* and currently sits on the board of Munster Rugby. A native of Drimoleague in west Cork, Dee is a graduate of UCD where she studied history and politics.



## **Frank Hannigan**

**Term of office: 4 November 2014 – 3 November 2019**

Frank Hannigan has worked in traditional media and software companies for 30 years. He started in radio and print, and later worked in social media. He has previously worked at the *Sunday Tribune*, *Hot Press* and Examiner Publications.

As an entrepreneur, he has raised more than €40 million investment for projects. He has worked as a founder, a mentor and an investor with some of the most exciting startups in Ireland.

Frank is a visiting lecturer in Irish universities, speaking on topics from media to lean startup.



## **Deborah Kelleher**

**Term of office: 4 November 2014 – 6 November 2022 (Reappointed for a second term on 6 November 2017)**

Appointed Director of the Royal Irish Academy of Music (RIAM) in October 2010, Deborah Kelleher has played an integral role in setting up and developing outreach, distance and academic courses in the RIAM over the last number of years.

She played a key part in the introduction of a specialised undergraduate degree in composition, the first music technology programme at the RIAM, and numerous professional development courses for teachers throughout the country. In 2013, RIAM became an Associated College of Trinity College Dublin (TCD). Deborah oversaw this significant transition.

She studied music at TCD and was awarded master's degrees in musicology (UCD) and business administration (Dublin City University). She was recognised as one of Ireland's finest pianists of her generation and worked for many years as Head of Musicianship at the RIAM.

In recent years, she has specialised in working with singers and counts Ailish Tynan, Mairéad Buicke, Tara Erraught and the late Bernadette Greevy among her recital partners. She is a board member of the Dublin International Piano Competition, the National Youth Orchestra of Ireland and Lyric Opera. She has also served on the Arts Council's Peer Review Panel.

Deborah is a Vice-President of the 12-person council of the Association of European Conservatoires (AEC), the umbrella body for more than 280 conservatoires in Europe.



### Ian Kehoe

**Term of office: 9 October 2018 – 8 October 2023**

Ian Kehoe is an award-winning journalist, author and broadcaster. In 2014, at the age of 34, he was appointed Editor of *The Sunday Business Post* newspaper, a position he held for four years. During that time, he was appointed to the board of the newspaper and an associated printing business.

Ian is a former presenter and reporter with *RTE's Prime Time*, and has made a number of major television documentaries including *Who's Buying Ireland* and *The Great Irish Sell-Off*.

Ian has twice been named as Ireland's Business and Economics Journalist of the Year, and has also won a Miriam Hederman O'Brien Award for his contribution to Irish fiscal policy. He is the co-author of *Citizen Quinn*, a bestselling book about the rise and fall of industrialist Seán Quinn.



### Dr P.J. Mathews

**Term of office: 4 November 2014 – 3 November 2019**

Dr P.J. Mathews is an associate professor in the School of English, Drama and Film at UCD and specialises in Irish literature and culture. He is the author of *Revival* (published by Field Day/Cork UP in 2003), a study of the Irish cultural revival period; editor of the *Cambridge Companion to J.M. Synge* (2009); and co-editor of *A Handbook of the Irish Revival* (published by the Abbey Theatre in 2015).

Dr Mathews is the founder and director of academic podcasting for UCDScholarcast ([www.ucd.ie/scholarcast](http://www.ucd.ie/scholarcast)).

He was director of the Parnell Summer School from 2002 to 2005 and was appointed Naughton Fellow and Visiting Associate Professor of English at the University of Notre Dame for 2007–8. He is an external member of the Irish studies group at Université Sorbonne Nouvelle-Paris 3 and co-convenor of the Irish Studies Doctoral Research Network.



### Eoin McVey

**Term of Office: 20 December 2016 – 16 February 2020**

Eoin McVey is a journalist. He trained in accountancy with the Dublin practice of Coopers & Lybrand (now PwC) and then joined *The Irish Times* as a financial journalist.

Further appointments included Business Editor, Assistant Editor and Managing Editor. He served as a Director of The Irish Times Ltd and Irish Times Publications Ltd. He was a founding director of the Press Council of Ireland and served on its board for six years.

Eoin is a member of the Board of Management of the RDS and of its governing council. He is also on the Board of the National Library of Ireland. He chairs the Audit & Risk committees in both organisations.



### Shane Naughton

**Term of office: 17 February 2015 – 16 February 2020**

Shane Naughton is Chief Financial Officer of the Economist Group, a leading source of independent analysis on international business and world affairs. It includes *The Economist* newspaper among its businesses.

Previously, he was global Chief Financial Officer of EMI Music, the international music business containing the Capitol, Virgin, Blue Note and Parlophone labels, and with artists ranging from the Beatles and the Beach Boys to Coldplay and Katy Perry.

Before that, as CEO of UBM plc's Connect division, Shane managed a portfolio of business magazines. He gained extensive television and broadcasting experience during his time with Sky. He also worked at Coca-Cola and Dell Computers in a variety of finance roles.

He qualified as a chartered accountant with KPMG and holds a law degree from UCD.

# Board of RTÉ



## Anne O'Leary

**Term of office: 4 November 2014 – 3 November 2019**

Anne O'Leary is an experienced business executive with a proven track record in helping companies develop new routes to market and exploit technology to optimise potential. Anne has a very good understanding of corporate governance and compliance. As a member of the Institute of Directors, she has an updated understanding of the requirements of both private and State boards.

She is a successful entrepreneur, building and selling a world-class technology business, with a strong concentration on strategic partnerships, sales management, marketing, product development and internal–external relationship management.

Anne has a broad range of experience across a number of different business sectors. She has a demonstrated ability in diagnostics, strategic planning, facilitation of teams and individuals, and sustainable revenue growth.



## Fionnuala Sheehan

**Term of office: 17 February 2015 – 16 February 2020**

Fionnuala Sheehan's career spans the civil service (Department of Finance and Commission on Taxation), the public service (Funding Manager for the newly created Telecom Éireann and its capital investment company, Irish Telecommunications Investments Limited), the commercial sector (Group Treasurer of GPA Limited and its joint-venture companies), higher education (Deputy Registrar, University of Limerick) and the not-for-profit sector (Chief Executive of MEAS – Mature Enjoyment of Alcohol in Society and Chief Executive of FirstLight).

During her career, Fionnuala has led many innovation and change-management initiatives.

A native of Limerick city, she graduated from NUIG with double first-class honours. She has an MA, a diploma in Applied Finance and a certificate and diploma in Company Direction (awarded by the Institute of Directors). She has served as a Governor of the University of Limerick and a Director of Daghda Dance Company and is a Board member of Extern Ireland.



## Robert Shortt

**Term of office: 29 May 2018 – 3 November 2019**

Robert Shortt joined RTÉ as a journalist on the *News at One* in 1998 and has since worked across many of the programmes in the News & Current Affairs division.

He has served as Business Correspondent and was part of the team which set up *The Business* on Radio One. He spent four years as Washington Correspondent before moving to *Prime Time* in 2009. He has twice won a Smurfit Business Journalist Award for his reporting.

Before joining RTÉ, he worked for the Japanese financial newspaper the *Nikkei* and for the BBC. He was elected as the first chair of the NUJ's RTÉ Sub Branch and served as Vice Chair of the RTÉ Trade Union Group (TUG) for three years. He holds a BA in English & Economics from UCD and an MSc Economics from the School of Oriental and African Studies, University of London.



## Margaret E. Ward

**Term of office: 17 February 2015 – 16 February 2020**

Margaret E. Ward is a leadership and management consultant specialising in strategy, change management and communications. As Managing Director of Broadly Speaking, she empowers leading executives and high performing teams throughout Europe, the Middle East and Asia (EMEA) to excel at the highest levels of their organisation. She's also an experienced board member, serving on the Fáilte Ireland and European Movement Ireland boards, and a member of the Institute of Directors.

Margaret's an experienced entrepreneur who has built two successful companies, brand communications consultancy Clear Ink and Broadly Speaking. She is also a social entrepreneur who founded Women on Air, a not-for-profit group that provides expert women with the skills they need to go on the airwaves.

Before starting her first company in 2006, she was an award-winning investigative journalist and financial columnist with *The Irish Times*, Money Editor for *The Sunday Times*, a business presenter for Newstalk and a regular contributor to RTÉ, BBC and National Public Radio (USA).

## Board Attendance

There were eight meetings of the Board of RTÉ in 2018. The attendance of Board members is outlined below:

	Meetings Eligible to Attend	Meetings Attended
<b>The Board at 31 December 2018</b>		
Moya Doherty	8	6
Dee Forbes	8	7
Frank Hannigan	8	7
Ian Kehoe	2	2
Deborah Kelleher	8	8
Dr P.J. Mathews	8	8
Eoin McVey	8	7
Shane Naughton	8	8
Anne O'Leary	8	8
Fionnuala Sheehan	8	8
Robert Shortt	5	5
Margaret E Ward	8	8
<b>Board term of office ended during 2018</b>		
Aengus Mac Grianna	2	2

The Board held two further joint meetings with the members of the Executive and the Audience Council, respectively. Refer to the Corporate Governance report on page 82 for further details of the change in the composition of the Board during 2018.

## Board Committees

### Audit and Risk Committee

There were seven meetings during 2018, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Anne O'Leary (Chair)	7	7	27 November 2014
Eoin McVey	7	5	26 January 2017
Shane Naughton	7	7	23 July 2015
Robert Shortt	3	3	13 September 2018
<b>Ceased to be committee members during 2018</b>			
Moya Doherty	4	2	21 April 2016
Frank Hannigan	4	3	27 November 2014

### Programme Committee

There were five meetings of the Programme Committee during 2018, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Dr P.J. Mathews (Chair)	5	5	27 November 2014
Deborah Kelleher	5	3	27 November 2014
Robert Shortt	2	2	31 May 2018
Margaret E. Ward	5	4	19 February 2015
<b>Board term of office ended during 2018</b>			
Aengus Mac Grianna	2	1	10 March 2009

### Remuneration and Management Development Committee

There was one meeting of this committee during 2018, with attendance as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Moya Doherty (Chair)	1	0	22 January 2015
Shane Naughton	1	1	4 November 2015
Anne O'Leary	1	1	22 January 2015

### Fair Trading Committee

There were four meetings during 2018, with full attendance as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Fionnuala Sheehan (Chair)	4	4	24 September 2015
Deborah Kelleher	4	4	24 September 2015

### Commercial and Technology Committee

As explained in further detail in the Corporate Governance report, the Commercial and Technology Committee ceased to be a committee of the Board in early 2018 and did not hold any meetings in that year.

### Attendance at Subsidiary Board Meetings

The attendance disclosures above refer to attendance by Board members at meetings of the RTÉ Board and its five sub-committees. In addition, Moya Doherty, Eoin McVey, Fionnuala Sheehan and Aengus Mac Grianna served on the Boards of subsidiary companies, with additional scheduled attendance at subsidiary Board meetings.

# Executive



**Dee Forbes**  
**Director-General**

See biographical note on page 76.



**Rory Coveney**  
**Director of Strategy**

Rory has been with RTÉ since 2007 in a variety of roles. Since 2011, as Strategic Advisor to the Director-General, Rory has been at the centre of strategic planning for the organisation. As Director of Strategy, he will lead a new strategy function encompassing corporate strategy, new ventures and innovation, public affairs and strategic risk management.

Prior to joining RTÉ, Rory worked for Irish Aid in the Department of Foreign Affairs. Rory is a graduate of UCC where he gained a BA in history. He also holds an MA in Interactive Media from Dublin Institute of Technology.



**Eimear Cusack**  
**Director, Human Resources**

Eimear Cusack was appointed Director of Human Resources in 2017. With a career spanning legal, banking, professional services and ICT, Eimear was appointed Head of Human Resources for Ericsson UK and Ireland in 2013, where she shaped and implemented extensive change programmes. With a successful background in innovative people strategy, Eimear's focus has been on employee engagement, talent acquisition, talent management, and learning and development.

Before joining RTÉ, Eimear delivered diverse employee transition, transformation and integration strategies in the areas of managed services and acquisitions.



**Adrian Lynch**  
**Director, Audiences, Channels and Marketing**

Adrian joined RTÉ in 2014 and was previously Channel Controller for RTÉ One and RTÉ2. In that capacity, he launched ambitious new schedules for the services. As Channel Controller of RTÉ One and RTÉ2, Adrian delivered a range of landmark public-service programming across all genres, with marked successes around *Dancing with the Stars*, *RTÉ 1916* and award-winning documentaries such as *My Homeless Family*.

Prior to joining RTÉ, Adrian was the Managing Director and owner of one of Ireland's most successful independent television production companies, Animo Television. During his time there, he was responsible for some of RTÉ One's most high-profile shows, including award-winning blue-chip documentary series such as *Freefall – The Night the Banks Failed*.

**Geraldine O'Leary**  
**Commercial Director**

Geraldine joined RTÉ in 1997 as Manager, Television Sales, and was promoted to Director, Sales and Marketing in 1999. In 2003, she was appointed Commercial Director, RTÉ Television, and has played a prominent role in RTÉ's commercial function. She was appointed Commercial Director, RTÉ, in January 2018 and is responsible for leading all of the divisional and cross-divisional commercial staff and operations at RTÉ. A Fellow of The Marketing Institute of Ireland, Founding Director of TAM Ireland and a member of the Council of the Marketing Society of Ireland, Geraldine is also a Board Member of EGTA (European Group of Television Advertising). She was the President of the EGTA Board from 2009 to 2011.





### **Jim Jennings**

#### **Director, Content**

Jim Jennings joined RTÉ Radio 1 in 1985, working first in features and current affairs on programmes such as *Today at Five* and *The Pat Kenny Show*. In 1989, he moved to RTÉ television, where he held a number of positions, including Executive Producer of *The Late Late Show*, *Election 2012* and the opening ceremony of the Special Olympics. He also worked as editor of *Léargas*.

Jim was appointed Managing Director of RTÉ Radio in November 2013, also overseeing the RTÉ Orchestras, Quartet and Choirs IBD. Previously, Jim was Head of RTÉ Radio 1.

Jim became Director of Content as part of the restructure of the organisation in 2017.



### **Breda O’Keeffe**

#### **Chief Financial Officer**

Breda O’Keeffe was appointed Chief Financial Officer in 2012. A native of Kilkenny, she studied at Waterford Institute of Technology and is a fellow of the Institute of Chartered Accountants Ireland. Before joining RTÉ, she held senior finance positions in GPA, GE Capital Aviation Services, JetPhone, GE Insurance Services and Halifax Bank of Scotland. She was instrumental in setting up GE Insurance Services and Halifax Insurance Ireland in Shannon.

Breda joined RTÉ in 2002. In 2003, she was appointed Finance Director of RTÉ Television and was also a member of the Television Programme Strategy Group. During 2012, Breda was appointed a director of RTÉ Commercial Enterprises DAC and in 2013 she was appointed as a director of RTÉ Transmission Network DAC.



### **Richard Waghorn**

#### **Director, Technology and Transformation**

Richard Waghorn joined RTÉ as Chief Technology Officer in February 2012. During 2013, he was appointed as a director of RTÉ Transmission Network DAC. Richard holds an MBA from Henley Management College and is a graduate of the University of Leeds.

Between 2009 and 2011, Richard was Chief Technology Officer at the South African Broadcasting Corporation. Before that, he was Controller of Distribution at the BBC for four years, leading the implementation of digital switchover. At the BBC, he worked in a number of areas including strategy, new media, distribution and radio production. Richard was a board director of Freesat and project manager for the 2002 launch of Freeview in the UK.

Richard took over RTÉ’s technology and transformation activities in 2017 as part of the restructure of the organisation.



### **Jon Williams**

#### **Director, RTÉ News and Current Affairs**

Jon Williams joined RTÉ in January 2017. He was previously Managing Editor, International News, at ABC News in New York, where he shaped the organisation’s international news coverage and strategy. Jon led ABC’s reporting of the war in Ukraine and the European refugee crisis, as well as coverage of ISIS terrorist attacks in Europe. He also drove innovation, including the use of 360 and virtual reality video.

From 2006 to 2013, Jon was the BBC’s World News Editor, managing a staff of 200 people in 30 countries. He oversaw reporting of the Israel/Lebanon war in 2006, which won an International Emmy. He received a second Emmy in 2013 for the BBC’s coverage of the civil war in Syria. Jon served as UK News Editor during the 7/7 terror attacks on the London transport network and as Deputy Editor of the BBC’s *Six O’Clock News* on 9/11. In 2017, he earned his third Emmy for ABC’s coverage of the Syria refugee crisis.

# Corporate Governance

## For the year ended 31 December 2018

Members of the Board of RTÉ are committed to maintaining the highest standards of corporate governance and business conduct. The *Broadcasting Act 2009* requires members to have experience of, or capacity in, matters relevant to the oversight of a public-service broadcaster (Section 82). Each member of the Board must also perform his or her functions in such a manner as to ensure that the activities of RTÉ, in pursuance of its statutory objects, are performed efficiently and effectively (Section 87).

RTÉ complies with the *Code of Practice for the Governance of State Bodies* ("Code of Practice").

The Code of Practice sets out principles of corporate governance which Boards of State Bodies are required to observe. This includes governance practices and procedures in a broad range of areas such as the role of the Board; codes of conduct and disclosure of interests; business and financial reporting; risk management and internal control; relations with the Oireachtas and parent department; and a range of other specific control procedures. Further information on these areas is set out in the remainder of this section of the Annual Report.

The Chair of the Board is required to confirm annually to the Minister for Communications, Climate Action and Environment that the governance practices and procedures in RTÉ are in compliance with the Code of Practice.

RTÉ also complies with the corporate governance and other obligations imposed by the *Ethics in Public Office Act, 1995*, and the *Standards in Public Office Act, 2001*.

### The Board of RTÉ

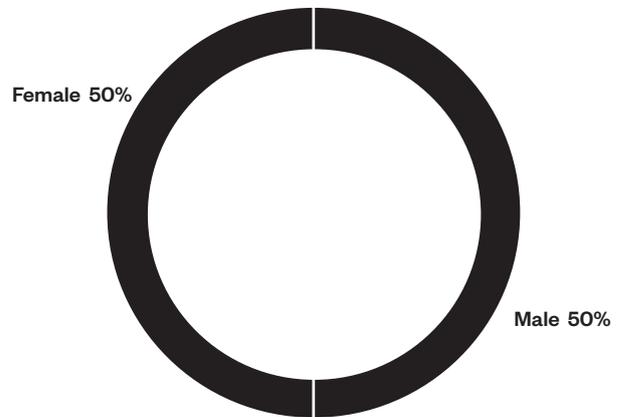
#### Composition

Members of the Board of RTÉ are appointed under Section 81 of the *Broadcasting Act 2009* for a period not exceeding five years. The Act provides for a 12-member Board, to be appointed by the Government as follows:

- Six members are appointed on the nomination of the Minister for Communications, Climate Action and Environment;
- The Oireachtas Joint Committee on Communications, Climate Action and Environment proposes four members to the Minister;
- The Director-General of RTÉ is an ex officio member; and
- One member of RTÉ staff is appointed following election.

The Government appoints one of the members to act as Chair. The *Broadcasting Act 2009* also provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2018, there are six women and six men on the Board of RTÉ.

#### Board Diversity by Gender

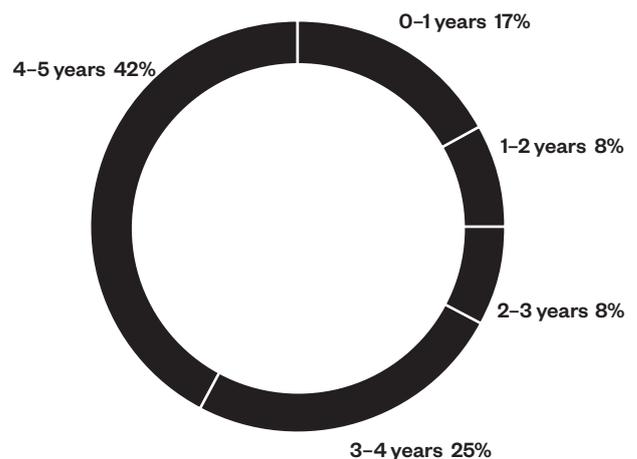


There were a number of Board changes during the year. Aengus Mac Grianna ceased to be a member of the Board on 1 April 2018, following his retirement from RTÉ. Aengus was a staff member, originally appointed to the Board following an election. Robert Shortt was appointed to the Board on 29 May 2018, following an election among RTÉ staff members. Ian Kehoe was appointed to the Board on 9 October 2018, to fill a Board vacancy in place since late 2017.

There were no other changes to the membership of the Board of RTÉ during the year.

Biographical details of the 12 members of the Board in office at 31 December 2018, including details of their terms of office, are set out on pages 76 to 78.

#### Board Diversity by Tenure



#### Role

The duties of Board members are set out in Section 87 of the *Broadcasting Act 2009*. In summary, Board members guide the corporate direction and strategy of RTÉ and represent the interests of viewers and listeners, ensuring that RTÉ fulfils its statutory responsibilities in an efficient and effective manner. Each member

brings independent judgement to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.

Board members have varied backgrounds, skills and experience in a broad range of business areas relevant to the oversight of a public-service broadcaster. The criteria for Board membership are set out in Section 82 of the *Broadcasting Act 2009*. The criteria include matters such as: media affairs, public-service broadcasting, broadcast content production, digital media technologies, business or commercial affairs, legal or regulatory affairs and matters pertaining to the development of the Irish language.

There is a clear division of responsibilities between the position of Chair of the Board, who is non-executive, and the Director-General.

The Director-General, in conjunction with executive management, takes responsibility for RTÉ's day-to-day operations. The Chair's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member.

The Chair of the Board and executive management meet frequently with the Department of Communications, Climate Action and Environment to discuss RTÉ's operating and financial performance.

In March 2018 members of the Board completed a self-assessment questionnaire process, evaluating the operation of the Board. The next formal evaluation is scheduled for early summer 2019.

### Board Procedures

On appointment, all Board members are provided with briefing documents on RTÉ and its operations. The Board meets in accordance with a regular schedule of meetings and may also meet on other occasions as deemed necessary. All Board members have full and timely access to the information necessary to enable them to discharge their duties. Board papers are sent to each Board member in sufficient time before Board meetings and any further papers or information are readily available to all Board members on request.

The Board papers sent to Board members prior to each Board meeting include the minutes of committee meetings that have been held since the previous Board meeting or, if minutes are not available at the time the papers are circulated, a verbal update is provided at the Board meeting.

Board members have access to advice and the services of the RTÉ Group Secretary, who is responsible for ensuring the Board procedures are followed and that applicable rules and regulations are complied with. RTÉ's professional advisors are available for consultation with the Board as required. Individual Board members may take independent professional advice and training, if necessary, at the expense of RTÉ. The Board has an insurance policy in place which indemnifies Board members in the event of legal actions taken against them in the course of their duties as Board members.

There is a formal schedule of matters reserved for consideration and decision by the Board. The schedule covers key areas of RTÉ's business:

- Approval of strategic plans, the annual budget and the annual financial statements;
- Approval of major investments, capital projects and borrowings;
- Significant acquisitions, disposals or retirement of assets;
- Reviewing financial and operational performance;
- Treasury policy and risk-management policies;
- Delegated authority levels, including the approval of major contracts;
- Appointment of the Director-General (in accordance with Section 89 of the *Broadcasting Act 2009*) and the Group Secretary;
- Appointment of Chair/Directors/Trustees of the RTÉ Subsidiary Companies and Pension Schemes; and
- Reviewing the system of internal control.

Certain other matters are delegated to Board committees, as set out in further detail below.

The Chair of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

### Board Committees

At 31 December 2018, the Board has established four permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee, the Programme Committee and the Fair Trading Committee.

The Commercial and Technology Committee ceased to be a permanent sub-committee of the Board during the year, having met its objectives. The Committee completed its work-programme in March 2018, when the strategic planning group to help develop a future strategy for the RTÉ Archives presented its findings to the Board.

The membership of each committee, together with details of attendance at meetings held in 2018, is set out on page 79. The RTÉ Group Secretary acts as Secretary of each Committee.

Temporary committees may be formed from time to time to deal with specific matters under defined terms of reference. No temporary committees were formed in 2018.

### Audit and Risk Committee

The Audit and Risk Committee comprises four Board members, three of whom are considered independent. Shane Naughton and Eoin McVey are the committee members with recent financial experience. The committee's terms of reference are available on the RTÉ website.

The Chief Financial Officer and the Head of Internal Audit attend meetings of the committee, while the external auditors attend as required. The terms of reference of the committee provide that other Board members, executives and others may also be invited to attend all or part of any meeting(s). Both the Head of Internal Audit and the external auditors have full and unrestricted direct access to the

# Corporate Governance

## For the year ended 31 December 2018 (continued)

committee Chair at all times. In addition, the Audit and Risk Committee has a discussion with the external and internal auditors at least once a year, without executive management present, to ensure there are no outstanding issues of concern.

During 2018, the Audit and Risk Committee reviewed the following:

- Quarterly risk reports and considered movements in the key corporate risks during the year;
- Risk briefings from the Executive Sponsors of a selection of the key corporate risks;
- The Internal Audit Plan for 2018;
- Internal audit reports and progress in implementing actions identified in the reports. The Head of Internal Audit presents a report at each Audit and Risk Committee meeting, summarising work completed since the previous meeting and the findings, together with the areas of focus in the forthcoming period;
- The external audit plan, the scope of the audit, as set out in the Engagement Letter, and the effectiveness of the audit process;
- The group's annual financial statements, prior to formal submission to the Board. The committee's review focused, in particular, on accounting policies, judgemental areas, the clarity of disclosures and compliance with applicable accounting and legal standards;
- Report from the external auditor following its audit of the financial statements and discussion of matters arising;
- Corporate governance compliance, to include reviewing compliance with the *Code of Practice for the Governance of State Bodies*;
- The Independent Productions annual report, prior to formal submission to the Board;
- The effectiveness of the system of internal control and reporting the results to the Board;
- The RTÉ Group's annual budget, prior to formal submission to the Board;
- Regular updates on the financial performance of the Group, including pensions and the risk management of movements in foreign exchange rates;
- RTÉ's banking arrangements and facilities;
- Organisation restructuring; and
- The committee's annual self-assessment exercise.

During 2018, the Audit and Risk Committee also received briefings on developments in the areas of corporate governance, risk management and accounting standards.

The Board has been keeping developments at EU level with regard to audit tenure under review. Taking account of these developments and market practice with regard to auditor rotation in Ireland, a decision was taken during 2018 to appoint a new external auditor.

Following the completion of a competitive tender process in mid-2018, Deloitte was appointed as RTÉ's external auditor. KPMG, the auditor for the financial year ended 31 December 2017, did not participate in the process. The Board expresses its appreciation to the partners and employees of KPMG who have worked on the RTÉ audit over the years.

The Audit and Risk Committee has put in place safeguards to ensure that the independence and objectivity of the external audit function are

not compromised. These safeguards are reviewed at regular intervals. In addition, the external auditors have confirmed to the Audit and Risk Committee that they continue to operate procedures to safeguard against the possibility that their objectivity and independence could be compromised.

The level of non-audit-related services provided by the external auditors, and the associated fees, is considered annually by the Audit and Risk Committee in the context of the external auditors' independence, as part of the committee's review of the adequacy and objectivity of the external audit process. Details of the nature of non-audit services in the current/prior years and the related fees are set out in note 5 to the financial statements.

### Programme Committee

The Programme Committee comprises four Board members, three of whom are considered independent. The committee considers key developments and plans in respect of RTÉ television and RTÉ radio programmes and schedules. At each of its meetings, the committee meets with the executives responsible for content/output and their senior management colleagues and with in-house and external independent programme-makers to review programme output and upcoming strategy and plans.

In the area of editorial risk, the Programme Committee and the Audit and Risk Committee align their respective programmes of work to ensure effective oversight and management of editorial risk. Editorial risk is considered by the Board in the context of risk generally, as explained in further detail in the internal control and risk-management section below.

### Remuneration and Management Development Committee

The Remuneration and Management Development Committee comprises three Board members, all of whom are considered independent. The committee's terms of reference are available on the RTÉ website.

The committee's role and responsibilities include:

- Considering the appointment, targets, performance and remuneration of the Director-General and making recommendations to the Board prior to seeking Government approval thereon. Such consideration takes place in the context of relevant Government policy. (The committee's terms of reference also provide for consideration, as deemed necessary, of the role of the Director-General's deputy or any person temporarily appointed to the position of Director-General in accordance with Section 89 (8) of the *Broadcasting Act 2009*);
- Consulting with the Director-General in relation to the remuneration package of executive management, having regard to Government policy in relation to remuneration of senior management of commercial State bodies;
- Consulting with the Director-General in relation to "top talent" contractor contracts; and
- Considering the remuneration of any non-Government appointed members of Boards of RTÉ subsidiary companies.

The committee is assisted, as necessary, by a nominee from the Department of Communications, Climate Action and Environment. The

remuneration of Board members is determined by Government policy and, as such, is not a specific consideration of this Committee.

### Fair Trading Committee

The Fair Trading Committee is responsible for the oversight of RTÉ's Fair Trading Policy. At 31 December 2018 the committee comprises two Board members. All members of the committee are considered independent. The committee's functions are to:

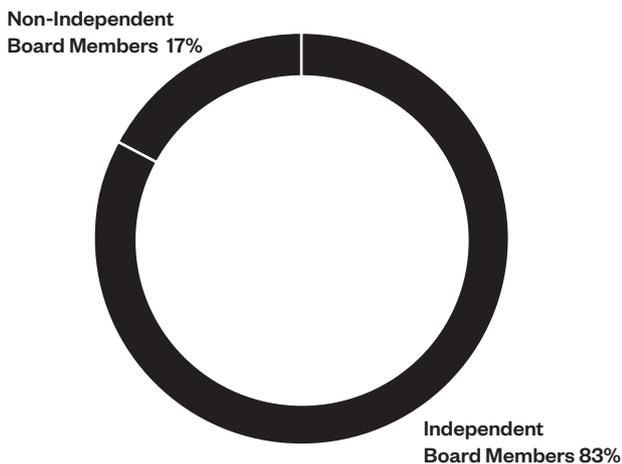
- Review reports from the Fair Trading Officer;
- Oversee and, where necessary, review internal practices and procedures including complaints procedure; and
- Commission periodic reviews of RTÉ fair trading practice.

RTÉ has a Fair Trading Policy and Procedures and a Fair Trading Complaints Procedure, both available on the RTÉ.ie website. During the year the Fair Trading Committee was responsible for oversight of the policy. In compliance with the policy, the committee has approved a report on the Fair Trading Policy and its implementation, which is on page 158.

### Independence of Members of the Board

Each Board member brings independent judgement, challenge and rigour to the Board's deliberations. The Board has completed an evaluation of the independence of its members using the independence criteria as set out in the UK Corporate Governance Code, the Corporate Governance code which is applicable to companies listed on Euronext Dublin.

### Board Diversity by Independence



Having regard for the integrity, strength of character and objectivity of Board members, all members are considered independent under those criteria. However, Dee Forbes and Robert Shortt are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2018 as per the criteria of the UK Corporate Governance Code.

As disclosed in further detail in note 26 (Related Party Transactions), business transactions took place between RTÉ and certain Board members, or their close family members, in the normal course of business, during the year ended 31 December 2018. Notwithstanding these transactions, the Board has determined that these Board members remain independent in character and judgement. In reaching that conclusion, the Board has considered the following:

In the case of one Board member, RTÉ commissioned programmes from a production company owned/controlled by a close family member of the Board member. In these cases, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent review of specific commissioning procedures is also carried out on an annual basis and an Independent Productions annual report is submitted to the Minister for Communications, Climate Action and Environment in accordance with Section 116 (9) of the *Broadcasting Act 2009*.

The Board also considered the matter of a Board member, or their close family members, being engaged by RTÉ under an artist contract in respect of a programme contribution. The decision to engage a programme contributor or presenter is undertaken by editorial line management having due regard for the requirements of the programme and the skills and experience of the individual being engaged. The Board also noted that contracts are entered into on normal commercial terms and in line with RTÉ's policy for engaging personnel. There were no applicable engagements in 2018.

### Internal Control and Risk Management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that an ongoing process for identifying, evaluating and managing RTÉ's significant risks has operated throughout the year and up to the date of approval of the financial statements. This process is in accordance with the Financial Reporting Council's *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting* and is overseen by the Audit and Risk Committee.

The Audit and Risk Committee considers risk management to be an integral part of its agenda and is committed to successfully managing RTÉ's exposure to risk and minimising its impact on the achievement of business objectives.

# Corporate Governance

## For the year ended 31 December 2018 (continued)

### Risk Management Framework

RTÉ has established a risk-management framework which consists of structures; the assignment of risk responsibilities; procedures and systems for risk identification, assessment and reporting; and monitoring the effectiveness of mitigation actions. The risk-management framework is overseen by the Director of Strategy, reporting to the Director-General.

Throughout the year, RTÉ operated a risk-management process designed to identify the key risks facing the business and to report to the Audit and Risk Committee and the Board on how these risks are being managed. The Board focuses primarily on those risks capable of undermining the RTÉ strategy, or risks which could adversely affect the long-term viability or reputation of RTÉ. As explained in further detail below, the risk-management process comprises two phases – a strategic risk-assessment undertaken by the Executive and a local risk assessment exercise carried out by line management in the divisions.

The members of the RTÉ Executive determine the risks impacting the successful delivery of the RTÉ strategy. Those risks designated as key risks are assigned an Executive Sponsor and Risk Owner and are subject to ongoing review and monitoring during the year. The Risk Owners track the drivers of each risk and document the controls in place to mitigate the risk. In addition, risk indicators are identified

to assist in monitoring changes in the likelihood of the occurrence of a risk. This exercise is summarised in a consolidated strategic risks document. This work is overseen and reviewed by a risk function and is linked to the broader strategic planning process. The strategic risks document is presented to the Audit and Risk Committee and to the Board as part of its review of the effectiveness of the system of internal control. During the year, the Audit and Risk Committee also receives quarterly updates on the status of risks, changes in risk indicators and updates on mitigating actions.

Aligned with the strategic risk-assessment process explained above, the business divisions also consider risk and have registers that identify their key risks, evaluate the probability of those risks occurring and assess the likely impact should the risks materialise. The actions taken to manage each risk to a desired level are recorded on the register.

### Principal Risks and Uncertainties

As part of the risk identification process explained above, the principal areas of risk that could materially adversely affect the Group's business, financial condition or results have been identified. A summary of these risks and the mitigation actions are set out below. This is not intended to be an exhaustive analysis of all the risks that may arise in the ordinary course of business. These key risks are assessed on a continuous basis and management report significant changes in the risks identified, or the materiality of risks, to the Audit and Risk Committee.

### Description of Risk

#### Compliance

##### Editorial

Damage to RTÉ's reputation arising from a serious failure to comply with editorial standards and obligations to fairness, impartiality and privacy could affect audience trust levels, damage our brand or lead to legal exposure.

##### Changes in Legislation/Regulation and Compliance

Any changes to regulation or to Irish or EU law which could impact on RTÉ's operations including inter alia broadcasting legislation, advertising standards, licence fee, data protection, financial codes of practice and any damage to RTÉ's reputation arising from non-compliance with the broad range of legal and regulatory requirements

### Mitigation Actions

- Unified set of three guideline documents: RTÉ Journalism Guidelines, RTÉ Programme Content Standards Guidelines and RTÉ Social Media Guidelines
- Defined editorial management chain and editorial structures
- Training for staff
- Access to legal advice as necessary
- Statutory Complaints Process
- Engagement with key stakeholders and submissions to consulting processes
- Submissions to relevant bodies making the case for RTÉ on the effect of legislative and regulatory change
- Updated guidelines and implementation of policies
- Regular staff communication and training
- Defined corporate governance structures and operational controls
- Corporate clearance committees for commercial activity
- Defined legal management chain

## Description of Risk

## Mitigation Actions

### Finance

#### Financial Resources

Risks associated with the strategic allocation and management of financial resources, in order to optimise investment in indigenous content/new improved services and capital (the business); control and reduce operating costs and deliver ongoing value for money across all our services. This also includes the ongoing management of cash reserves and bank funding to provide adequate financing for ongoing operational cash needs, while also investing in the business.

- Annual budgeting process in place. Ongoing monthly management accounts and forecasting, which includes the monitoring of revenues and costs against budget
- Capital budgeting process and a dedicated Capital Committee
- Cash management and treasury function which operate within an approved treasury policy
- Multiyear medium-term financial projections

#### Commercial Income

Failure to grow commercial revenue and respond to the changing demands from agencies and advertisers.

- Audience measurement and tracking
- Monitoring of revenue performance and three-month rolling revenue forecasting: RTÉ Executive monitors fortnightly revenue reports, including market and economic commentary
- Monitoring and assessment of the current and emerging impacts of Brexit on RTÉ's financial position
- Timely, responsive sales and cross-media initiatives and actions to address any revenue decline
- Restructured commercial department to address changing advertiser requirements and develop new revenue sources

### Strategic

#### Public Funding

Inadequate levels of public funding and lack of funding reform, limiting RTÉ's capacity to deliver its public-service objects as set out in legislation.

- Meet and present to key decision makers
- Secure economic and legal advice, or commission reports/benchmarking analysis, as required
- Monitoring of the licence fee collection targets, household statistics and evasion rates
- Ongoing collaboration with An Post and DCOAE on licence fee collection and related matters

#### Achievement of Organisational Change

The risk that RTÉ will not effectively manage the radical transformation of the organisation to achieve the new One RTÉ business operating model and a proportionate cost base.

- Enabling the five-year strategy – six key initiatives
- Changes made to work practices to promote improved teamwork, flexibility, mobility and efficiency
- Review of and changes to the organisation structure on an ongoing basis

#### Distribution

Failure to deliver access to content on relevant platforms or to invest in the next trends in technology and content consumption could threaten RTÉ's connection with the audience and the achievement of audience targets.

- Ongoing monitoring and analysis of technological developments and audience behaviour in the marketplace
- Distribution and content rights strategy in place
- Meet and present to key decision makers

#### Brand & Reputation

Failure to manage the RTÉ brand could impact on stakeholder perceptions, affecting trust levels and potentially impacting the current and future demand for RTÉ's services.

A materialisation of any of RTÉ's key risks could also damage RTÉ's reputation and undermine support for RTÉ's strategy.

- Clearly expressed guidelines and adherence to policies
- Ensuring RTÉ and external agencies use brand safety controls
- New brand positioning and creative expression for RTÉ
- Investment in marketing initiatives to promote offering and demonstrate value
- Escalation process and crisis management planning

# Corporate Governance

## For the year ended 31 December 2018 (continued)

### Description of Risk

### Mitigation Actions

#### Operational

##### Content

Failure to identify and develop sufficiently relevant and compelling content, particularly for young and under-served audiences groups – the need to take creative risks.

- Audience measurement and tracking
- Responsive content initiatives e.g. The Lab
- Examine co-funding opportunities and other sources of funding which leverage RTÉ's investment and achieve a greater impact for a lower investment
- Strong independent production sector

##### People/Skills

The risk of a deficit in the experience and skills needed across all disciplines, to deliver RTÉ's strategic plan.

The risk includes the ability to attract, retain and develop staff members, especially for specialist roles, and a lack of diversity.

- Five-year strategy planning, including integral HR strategy
- Diversity action plan to encourage staff diversity and retention
- Succession planning
- Organisational learning and development strategy

##### Technology and Business Interruption

A significant failure in critical technology or other infrastructure, or the actions of a third party (e.g. via a cyber/viral attack) or a force majeure event, disrupting business continuity and broadcasting output.

- Business continuity plans
- Resilience and redundancy built into business processes: IT back-up procedures; mirrored servers; redundancy in national broadcast transmission system; etc.
- Training

#### Internal Control

In addition to the risk-management process outlined above, a strong internal control framework is in place to provide effective internal control, including:

- A clearly defined organisation structure, with formally defined authority limits and reporting mechanisms to higher levels of management and to the Board;
- A statement of decisions reserved to the Board for consideration and decision;
- Codes of business conduct for Board members and employees, setting out the ethical standards expected in the conduct of business;
- Established procedures to identify, control and report on key risks impacting the business;
- Comprehensive budgeting systems, with annual financial budgets approved by the Board;
- A planning process for each division, with long-term strategic plans approved by the Board;
- Timely financial reporting systems, with actual results reported against budget and considered by the Board on a monthly basis;
- A Good Faith Reporting (Whistleblowing) Policy, which provides staff with a confidential and, if required, anonymous means to report a matter of concern; and
- Comprehensive policies and procedures relating to operational and financial controls, including commitments and capital expenditure. Large capital projects require the approval of the Board.

These controls are reviewed systematically by Internal Audit, on a risk-based approach. The Board confirms that, through the Audit and Risk Committee, it has conducted a review of the effectiveness of the system of internal control up to and including the date of approval of the financial statements.

The process adopted by the Board to undertake the review of the effectiveness of the system of internal controls included:

- Consideration of the authority, resources and coordination of those involved in the identification, assessment and management of significant risks faced by RTÉ;
- Review and consideration of the output of the risk assessment and management process;
- Monitoring of risk reports from management;
- Review of the programme of internal audit and consideration of major findings; and
- Review of the report of the external auditors, who, as part of their normal procedures, test aspects of the systems of internal control and report any significant weaknesses to the Audit and Risk Committee.

#### Going Concern

After making enquiries, the members of the Board are satisfied that RTÉ has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### Board Members' Fees<sup>1</sup>

RTÉ complies with Government policy on the payment of fees to chairs and directors of State bodies, as determined by the Minister for Public Expenditure and Reform and the Minister for Communications, Climate Action and Environment.

	2018 €'000	2017 €'000
<b>Board members at 31 December 2018</b>		
Moya Doherty	24	31
Dee Forbes	-	-
Frank Hannigan	16	16
Ian Kehoe	4	-
Deborah Kelleher <sup>4</sup>	-	-
Dr P.J. Mathews <sup>4</sup>	-	-
Eoin McVey	16	16
Shane Naughton	16	16
Anne O'Leary	16	16
Fionnuala Sheehan	16	16
Robert Shortt <sup>2</sup>	9	-
Margaret E. Ward	16	16

### Payments to former Board members

Aengus Mac Grianna <sup>2</sup>	4	16
Payments to other former Board members <sup>3</sup>	-	14
	<b>137</b>	<b>157</b>

- All members of the Board are non-executive, with the exception of the Director-General, Dee Forbes, serving in an ex officio capacity
- In addition to Board fees, Aengus Mac Grianna and Robert Shortt were paid as employees of RTÉ
- Relates to payments to Fergus Armstrong. His Board term of office ended on 3 November 2017
- In accordance with the "one person one salary" principle, public servants who sit on state boards are not entitled to additional board fees

The annual fee payable to Board members for their services as members of the Board of RTÉ remained unchanged between 2017 and 2018. Differences in fee levels arise due to timing reasons.

### Expenses of Board members<sup>1</sup>

In compliance with the *Code of Practice for the Governance of State Bodies*, the following disclosure is required of the expenses paid to Board members:

	2018 €'000	2017 €'000
Travel – mileage	15	19
Subsistence allowances	9	21
	<b>24</b>	<b>40</b>

- The expenses of Board members above relate to their Board services only and do not include expenses of members in their capacity as RTÉ employees.

### Remuneration of Director-General

The remuneration of the Director-General conforms to Government policy for determining the remuneration of chief executive officers of commercial State bodies, issued by the Department of Public Expenditure and Reform, and is approved by the Minister for Communications, Climate Action and Environment. In compliance with the disclosure requirement in the *Code of Practice for the Governance of State Bodies* and in Section 305 of the *Companies Act 2014*, the remuneration of the Director-General comprises:

	2018 €'000	2017 €'000
<b>Emoluments:</b>		
– Basic salary	250	250
– Car allowance	25	25
<b>Total Emoluments</b>	<b>275</b>	<b>275</b>
<b>Retirement Benefit Contributions<sup>1</sup></b>	<b>63</b>	<b>63</b>
	<b>338</b>	<b>338</b>

- The amount paid by RTÉ to a defined contribution pension scheme.

Expenses amounting to €3,368 (2017: €4,438) were incurred by Dee Forbes in the conduct of the duties of the post of Director-General.

No performance-related pay was awarded or paid in respect of 2018 or 2017.

# Board Members' Report

## For the year ended 31 December 2018

The members of the Board of RTÉ present their annual report together with the audited Group financial statements for the year ended 31 December 2018.

### Principal Activities

RTÉ is Ireland's public-service broadcaster offering free-to-air television and radio services to its audience. RTÉ also publishes the *RTÉ Guide*, operates a teletext service and provides an extensive range of free web-based online services. Through its wholly owned subsidiary, RTÉ Transmission Network DAC (trading as 2m), RTÉ provides analogue and digital network transmission and tower facilities to broadcasters and other users. In addition, RTÉ operates the RTÉ National Symphony Orchestra and the RTÉ Concert Orchestra, together with other performing groups.

### Business Review

Detailed reviews of the performance during 2018 and future developments are set out in the Operational Review on pages 34 to 74 and in the Financial Review on pages 23 to 31. These reviews encompass the principal risks and uncertainties faced by the Group and an analysis of its key performance indicators, financial and non-financial. RTÉ's performance in meeting its annual commitments to its viewers and listeners, as set out in its Annual Statement of Performance Commitments 2018, are reviewed on pages 155 to 157.

### Results for the Year

The results of the Group for the year are set out in the Income Statement on page 94 and in the related notes.

### Members of the Board

The names of the persons who served as members of the Board as at 31 December 2018 are set out on pages 76 to 78.

### Corporate Governance

RTÉ's corporate governance arrangements are set out in the annual report as follows:

- Corporate governance pages 82 to 89
- Board members' profiles pages 76 to 78
- Statement of Board members' responsibilities page 91

### Directors' Compliance

The *Companies Act 2014*, which applies to RTÉ subsidiary companies, introduces a requirement for directors to secure a company's compliance with its relevant obligations (as defined in Section 225(1) of the Act), if the company meets specific size criteria specified in the Act.

RTÉ has implemented actions to ensure that, where applicable, its subsidiaries comply with the *Companies Act 2014* requirements for directors' compliance statements.

### Accounting Records

The RTÉ Board members are responsible for ensuring that adequate accounting records are maintained. The measures taken in this

regard include the use of appropriate systems and procedures, the employment of professionally qualified accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The Group's accounting records are kept at Donnybrook, Dublin 4.

### Payment of Accounts

The members of the Board acknowledge their responsibility for ensuring compliance in all material respects with the provisions of the *European Communities (Late Payment in Commercial Transactions) Regulations 2012* ("the Regulations"). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

### Group Companies

Information relating to subsidiary and associated undertakings is included in note 20 to the financial statements.

### Financial Instruments

The Group has exposure to financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk. The Group has detailed procedures for monitoring and managing these risks which are set out in note 23 to the financial statements.

### Auditor

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, were appointed during the financial year.

### Political Donations

With reference to the *Electoral Act, 1997*, RTÉ does not make any political donations.

### Relevant Audit Information

The Board members believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

### Subsequent Events

Details of important events affecting the Group which have taken place since the end of the financial year are given in note 27 to the financial statements.

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and  
Chair of the Audit and  
Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

# Statement of Board Members' Responsibilities

## For the year ended 31 December 2018

The members of the Board of RTÉ (the "RTÉ Board") are responsible for preparing the Annual Report and the Group and RTÉ financial statements in accordance with applicable law and regulations.

The *Broadcasting Act 2009* ("broadcasting legislation") requires the RTÉ Board to prepare Group and RTÉ financial statements for each financial year. Under that legislation, the RTÉ Board has elected to prepare the Group and RTÉ financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*.

The RTÉ Board does not approve the Group and RTÉ financial statements unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and RTÉ and of the Group's profit or loss for that year. In preparing each of the Group and RTÉ financial statements, the RTÉ Board:

- Selects suitable accounting policies and then applies them consistently;
- Makes judgements and estimates that are reasonable and prudent;
- States whether the financial statements have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*; and
- Prepares the financial statements on the going concern basis unless it is inappropriate to presume that the Group and RTÉ will continue in business.

The RTÉ Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and RTÉ and which enable them to ensure that the financial statements of the Group and RTÉ are prepared in accordance with applicable IFRS, as adopted by the EU, and comply with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*. The RTÉ Board have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and RTÉ and to prevent and detect fraud and other irregularities. The RTÉ Board is also responsible for preparing a Board Members' Report that complies with the relevant provisions of the *Companies Act 2014*.

The RTÉ Board members are responsible for ensuring that the corporate governance statement on pages 82 to 89 reflects the Group's compliance with the *Code of Practice for the Governance of State Bodies*.

The RTÉ Board members are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and  
Chair of the Audit and  
Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

# Independent Auditor's Report to the Members of the Board of RTÉ

## Report on the audit of the financial statements

### Opinion on the financial statements of RTÉ

In our opinion the RTÉ Group (the Group) and the RTÉ Entity (the Entity) financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and the Entity as at 31 December 2018 and of the loss of the Group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the *Broadcasting Act 2009*.

The financial statements we have audited comprise:

The Group financial statements:

- the Group Income Statement;
- the Group Statement of Comprehensive Income;
- the Group Statement of Financial Position;
- the Group Statement of Changes in Equity;
- the Group Cash Flow Statement; and
- the related notes 1 to 28, including a summary of significant accounting policies as set out in note 1.

The Entity financial statements:

- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Cash Flow Statement;
- the related notes 1 to 28, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group and Entity financial statements is the *Broadcasting Act 2009* and International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs as adopted by the EU) ("the relevant financial reporting framework").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Entity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report & Group Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the Statement of Board Member's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the *Broadcasting Act 2009*, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Entity or where relevant, the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

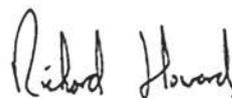
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the Members of the Board of RTÉ in accordance with the *Broadcasting Act 2009*. Our audit work has been undertaken so that we might state to the Members of the Board of RTÉ those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Board of RTÉ, for our audit work, for this report, or for the opinions we have formed.

### **Report on Other Legal and Regulatory Requirements**

#### **Matters on which we are required to report by exception**

Under the *Code of Practice for the Governance of State Bodies* (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement does not reflect the Group's compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.



#### **Richard Howard**

For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

25 April 2019

# Group Income Statement

## for the year ended 31 December 2018

	Notes	2018 €'000	2017 €'000
<b>Continuing Operations</b>			
Revenue	2	<b>339,105</b>	337,576
Operating costs (before depreciation, amortisation, gain on disposal of assets and exceptional items)	3	<b>(339,803)</b>	(334,520)
<hr/>			
<b>EBITDA<sup>1</sup> before gain on disposal of assets and exceptional items</b>		<b>(698)</b>	3,056
Net depreciation and amortisation	5	<b>(12,417)</b>	(12,330)
Gain on disposal of assets	5	<b>5</b>	5,004
Exceptional items <sup>2</sup>	6	<b>(548)</b>	69,896
<hr/>			
<b>(Loss)/Profit from Operating Activities</b>		<b>(13,658)</b>	65,626
Finance income	4	<b>2,108</b>	542
Finance expense	4	<b>(1,588)</b>	(2,657)
<hr/>			
<b>(Deficit)/Surplus before Income Tax</b>	5	<b>(13,138)</b>	63,511
Income tax credit/(expense)	8	<b>135</b>	(21,418)
<hr/>			
<b>(Deficit)/Surplus for the Year</b>		<b>(13,003)</b>	42,093

1 EBITDA: Earnings (operating profit) before interest, tax, depreciation and amortisation

2 Exceptional items: Gain on disposal of land, sales-enabling project costs, restructuring and other charges

# Group Statement of Comprehensive Income

## for the year ended 31 December 2018

	Notes	2018 €'000	2017 €'000
(Deficit)/Surplus for the Year		<b>(13,003)</b>	42,093
<b>Other Comprehensive Income</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Re-measurement (loss)/gain of the defined benefit pension scheme	21	<b>(1,219)</b>	28,273
Re-measurement gain of the "50/50" risk-sharing pension scheme	21	<b>301</b>	1,074
Related deferred tax on pension assets	22	<b>169</b>	(2,731)
		<b>(749)</b>	26,616
<b>Items that are or may be reclassified to profit or loss</b>			
Cash flow hedge – effective portion of changes in fair value		<b>(24)</b>	(49)
Cash flow hedge – reclassified to Income Statement	4	<b>218</b>	218
Fair value gain on cash flow hedge	19	<b>194</b>	169
Deferred tax on cash flow hedge	22	<b>(24)</b>	(21)
		<b>170</b>	148
<b>Total other comprehensive (deficit)/surplus for the year</b>		<b>(579)</b>	26,764
<b>Total comprehensive (deficit)/surplus for the year</b>		<b>(13,582)</b>	68,857

# Group Statement of Financial Position

## at 31 December 2018

	Notes	2018 €'000	2017 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	67,846	66,114
Intangible assets	10	5,695	3,212
Pension asset	21	49,556	50,910
Derivative financial instruments	23	-	12
<b>Total Non-Current Assets</b>		<b>123,097</b>	120,248
<b>Current Assets</b>			
Inventories	11	31,245	34,871
Receivables and prepayments	12	59,730	59,694
Liquid investments	13	-	36,993
Cash and cash equivalents	14	66,961	70,126
Derivative financial instruments	23	516	-
<b>Total Current Assets</b>		<b>158,452</b>	201,684
<b>Total Assets</b>		<b>281,549</b>	321,932
<b>EQUITY</b>			
Retained earnings		95,621	109,373
Cash flow hedge reserve	19	(91)	(261)
		<b>95,530</b>	109,112
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	15	-	45,000
Employee benefits	18	12,941	5,878
Trade and other payables	16	4,617	3,858
Deferred tax liabilities	22	8,509	8,521
Capital grants	25	7,925	7,946
Derivative financial instruments	23	11	85
<b>Total Non-Current Liabilities</b>		<b>34,003</b>	71,288
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	15	50,000	4,500
Trade and other payables	16	80,006	80,208
Taxation and social welfare	17	9,347	31,669
Capital grants	25	21	22
Employee benefits	18	12,538	24,328
Derivative financial instruments	23	104	805
<b>Total Current Liabilities</b>		<b>152,016</b>	141,532
<b>Total Liabilities</b>		<b>186,019</b>	212,820
<b>Total Equity and Liabilities</b>		<b>281,549</b>	321,932

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

## Group Statement of Changes in Equity at 31 December 2018

	Retained earnings €'000	Cash flow hedge reserve €'000 (Note 19)	Total equity €'000
<b>Balance at 1 January 2018</b>	<b>109,373</b>	<b>(261)</b>	<b>109,112</b>
Deficit for the year	(13,003)	-	(13,003)
Other comprehensive (deficit)/surplus	(749)	170	(579)
<b>Total comprehensive deficit</b>	<b>(13,752)</b>	<b>170</b>	<b>(13,582)</b>
<b>Balance at 31 December 2018</b>	<b>95,621</b>	<b>(91)</b>	<b>95,530</b>
Balance at 1 January 2017	40,664	(409)	40,255
Surplus for the year	42,093	-	42,093
Other comprehensive surplus	26,616	148	26,764
Total comprehensive surplus	68,709	148	68,857
Balance at 31 December 2017	109,373	(261)	109,112

## RTÉ Statement of Changes in Equity at 31 December 2018

	2018 €'000	2017 €'000
<b>Retained earnings</b>		
Balance at 1 January	<b>13,995</b>	(60,473)
(Deficit)/Surplus for the year	<b>(19,107)</b>	47,853
Other comprehensive (deficit)/surplus	<b>(749)</b>	26,615
Total comprehensive (deficit)/surplus	<b>(19,856)</b>	74,468
Balance at 31 December	<b>(5,861)</b>	13,995

# Group Cash Flow Statement

## for the year ended 31 December 2018

	Notes	2018 €'000	2017 €'000
<b>Cash Flows from Operating Activities</b>			
(Deficit)/Surplus for the year		<b>(13,003)</b>	42,093
Adjustments for:			
Depreciation of property, plant and equipment	9	<b>11,675</b>	11,492
Amortisation of intangible assets	10	<b>742</b>	838
Gain on disposal of property, plant and equipment		<b>(5)</b>	(5,004)
Exceptional items		<b>548</b>	(69,896)
Difference between pension credit and cash contributions		<b>1,404</b>	2,349
Net finance (income)/expense	4	<b>(464)</b>	2,115
Income tax expense	8	<b>(135)</b>	21,418
		<b>762</b>	5,405
Change in inventories and related inventory payables		<b>4,743</b>	(767)
Change in receivables and prepayments		<b>(28)</b>	(6,678)
Change in trade and other payables		<b>291</b>	12,470
Change in taxation and social welfare		<b>(22,054)</b>	889
Change in employee benefits and restructuring and other costs		<b>(4,870)</b>	(18,767)
<b>Net Cash (absorbed) from Operating Activities</b>		<b>(21,156)</b>	(7,448)
<b>Cash Flows from Investing Activities</b>			
Interest received		-	2
Proceeds from sale of property, plant and equipment		<b>17</b>	109,963
Capital grant		<b>(21)</b>	7,976
Acquisition of property, plant and equipment		<b>(16,323)</b>	(9,854)
Acquisition of intangible assets		<b>(1,882)</b>	(1,532)
<b>Net Cash (absorbed)/generated by Investing Activities</b>		<b>(18,209)</b>	106,555
<b>Cash Flows from Financing Activities</b>			
Proceeds/(repayments) from borrowings	15	<b>500</b>	(8,375)
Interest paid		<b>(1,293)</b>	(1,311)
Decrease/(increase) in liquid investments	13	<b>36,993</b>	(35,993)
<b>Net Cash generated/(absorbed) by Financial Activities</b>		<b>36,200</b>	(45,679)
Net (decrease)/increase in cash and cash equivalents		<b>(3,165)</b>	53,428
Cash and cash equivalents at 1 January		<b>70,126</b>	16,698
<b>Cash and Cash Equivalents at 31 December</b>	14	<b>66,961</b>	70,126

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

# RTÉ Statement of Financial Position

## at 31 December 2018

	Notes	2018 €'000	2017 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	17,186	15,004
Intangible assets	10	5,668	3,171
Investments in subsidiaries	20	65,827	65,827
Pension asset	21	49,556	50,910
Derivative financial instruments	23	-	12
<b>Total Non-Current Assets</b>		<b>138,237</b>	134,924
<b>Current Assets</b>			
Inventories	11	31,099	34,708
Receivables and prepayments	12	50,800	51,813
Liquid investments	13	-	36,993
Cash and cash equivalents	14	60,381	59,008
Derivative financial instruments	23	516	-
<b>Total Current Assets</b>		<b>142,796</b>	182,522
<b>Total Assets</b>		<b>281,033</b>	317,446
<b>EQUITY</b>			
Retained earnings		(5,861)	13,995
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Employee benefits	18	12,723	5,636
Trade and other payables	16	4,617	3,858
Deferred tax liabilities	22	5,048	5,161
Derivative financial instruments		11	-
<b>Total Non-Current Liabilities</b>		<b>22,399</b>	14,655
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	15	5,000	-
Trade and other payables	16	238,650	234,731
Taxation and social welfare	17	8,381	29,228
Derivative financial instruments	23	-	591
Employee benefits	18	12,464	24,246
<b>Total Current Liabilities</b>		<b>264,495</b>	288,796
<b>Total Liabilities</b>		<b>286,894</b>	303,451
<b>Total Equity and Liabilities</b>		<b>281,033</b>	317,446

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

# RTÉ Cash Flow Statement

## for the year ended 31 December 2018

	Notes	2018 €'000	2017 €'000
<b>Cash Flows from Operating Activities</b>			
(Deficit)/Surplus for the year after tax		<b>(19,107)</b>	47,853
Adjustments for:			
Depreciation of property, plant and equipment	9	<b>5,183</b>	6,042
Amortisation of intangible assets	10	<b>729</b>	809
Gain on disposal of property, plant and equipment		<b>(2)</b>	(5,001)
Exceptional items		<b>548</b>	(70,003)
Difference between pension credit and cash contributions		<b>1,404</b>	2,349
Net finance (income)/expense		<b>(1,747)</b>	972
Income tax (credit)/expense		<b>(211)</b>	19,302
		<b>(13,203)</b>	2,323
Change in inventories and related inventory payables		<b>4,726</b>	(690)
Change in receivables and prepayments		<b>1,193</b>	(8,548)
Change in provisions and trade and other payables		<b>4,221</b>	8,492
Change in taxation and social welfare		<b>(20,580)</b>	1,098
Change in employee benefits and restructuring and other costs		<b>(4,839)</b>	(18,709)
<b>Net Cash absorbed from Operating Activities</b>		<b>(28,482)</b>	(16,034)
<b>Cash Flows from Investing Activities</b>			
Interest received		-	2
Proceeds from sale of property, plant and equipment		<b>2</b>	109,954
Acquisition of property, plant and equipment		<b>(10,061)</b>	(5,527)
Acquisition of intangible assets		<b>(1,882)</b>	(1,553)
<b>Net Cash (absorbed)/generated by Investing Activities</b>		<b>(11,941)</b>	102,876
<b>Cash Flows from Financing Activities</b>			
Proceeds/(Repayment) of borrowings	15	<b>5,000</b>	(4,875)
Interest paid		<b>(197)</b>	(164)
Decrease/(increase) in liquid investments	13	<b>36,993</b>	(35,993)
<b>Net Cash generated/(absorbed) by Financial Activities</b>		<b>41,796</b>	(41,032)
Net increase in cash and cash equivalents		<b>1,373</b>	45,810
Cash and cash equivalents at 1 January		<b>59,008</b>	13,198
<b>Cash and Cash Equivalents at 31 December</b>	14	<b>60,381</b>	59,008

On behalf of the Board

**Moya Doherty**  
Chair

**Anne O'Leary**  
Board Member and Chair of  
the Audit and Risk Committee

**Dee Forbes**  
Director-General

25 April 2019

# Notes Forming Part of the Group Financial Statements

## 1. Summary of Significant Accounting Policies

### (a) Basis of accounting

Below we set out our key accounting policies. A full list of accounting policies can be found in the appendix to the Group Financial Statements on pages 149 to 154. The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined in the appendix to the Group Financial Statements.

### (i) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2018 comprise the statutory corporation and all entities controlled by it (together referred to as the 'Group').

### (ii) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended 31 December 2018 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the *Companies Act 2014* in so far as it provides additional information. Accordingly, RTÉ's parent statement of financial position, statement of cash flows and statement of changes in equity have also been presented with the consolidated financial statements as would ordinarily be required by the *Companies Act 2014*. RTÉ's Group Income Statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (iii) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in euro, rounded to the nearest thousand (€000), which is the functional currency of all subsidiaries in the Group.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas involving significant judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements, relate primarily to the valuation of the defined benefit pension scheme and financial instruments and are documented in the relevant accounting policies and in the related notes.

### (iv) Adoption of new and revised standards

In preparing the Group financial statements for the current year, the Group has adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*, neither of which have had a significant effect on the results or net assets of the Group. Further details are provided in an appendix to the Annual Report.

### (v) Standards in issue but not yet effective

A complete list of standards that are in issue but not effective until 2019 or beyond is included within our full accounting policies in an appendix to the Annual Report. The directors do not expect that the adoption of the new standards will have a material impact on the financial statements of the Group in future periods, except in relation to IFRS 16.

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 January 2019. The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16. Consequently, the Group will not restate the comparative information.

# Notes Forming Part of the Group Financial Statements (continued)

## 1. Summary of Significant Accounting Policies (continued)

The Group will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group. IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet. A preliminary assessment indicates that the Group will recognise a right of use asset of €3.5m and a corresponding lease liability in respect of all these leases as at 1 January 2019. Annual payments of €0.6m currently reported as operating costs in the income statement will become depreciation and finance costs. The net effect on the Group result on an annual basis will be minimal.

### Key Accounting Policies

#### (b) Revenue recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from licence fees; advertising sales; sponsorship; the use of the Group's facilities and transmission network; circulation and events income; and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

IFRS 15 applies to all the Group's revenue streams apart from licence fee revenue which is accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The other revenue streams, as outlined below, are recognised upon transfer of the promised services or goods to the customers. The Group has adopted the five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. This involves identifying the contract with customers, identifying the performance obligations, determining the transaction price, allocating the price to the performance obligations within the contract and recognising revenue when the performance obligations are satisfied.

#### (i) Licence fee revenue

The Department of Communications, Climate Action and Environment (DCCAE) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to the DCCAE, net of collection costs. In addition, licence fee revenue is payable by the Department of Employment Affairs and Social Protection (DEASP) on behalf of individuals eligible for a "free" television licence. This revenue has been subject to a cap since 2011 and is paid monthly by the DEASP to the DCCAE.

The DCCAE makes a non-repayable "grant-in-aid" to RTÉ from these licence fees collected, as provided in Section 123 of the *Broadcasting Act 2009* as amended by section 69 of the *Communications Regulation (Postal Services) Act 2011*. This equates to the amounts paid to it by the DEASP, together with the amounts collected by An Post net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Climate Action and Environment.

Licence fee revenue payable by the DEASP is recognised upon receipt. All other licence fee income is recognised upon notification by An Post of the number of licences sold in the period.

#### (ii) Advertising and sponsorship income

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication, etc.

#### (iii) Transmission and facilities income

Transmission and facilities income arise from the use of and access to the Group's transmission, distribution and multiplexing network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

#### (iv) Circulation and events income

Circulation income arises from the publication and circulation of the *RTÉ Guide* and is stated net of fees due to the distributor and end retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Orchestras. It is recognised as the events are held and amounts fall due.

## 1. Summary of Significant Accounting Policies (continued)

### (v) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

### (c) Segment reporting

Segmental analysis, prepared in accordance with *IFRS 8 Operating segments*, is set out in note 2(d). RTÉ's primary reporting segments are its divisions. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial division. 2rn revenues are reported in the Network division. Archive and library sales revenues are reported in the Content division. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. The reporting of licence fee revenue within each division is a function of the licence fee attributed to each individual channel and service.

Costs directly incurred by and for a division are reported within that division. An appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost to inter-divisional and central shared services consumed by those divisions. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred primarily for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Content and News & Current Affairs divisions as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels, these costs are not apportioned to the online services where further opportunities to access the content are provided. Where direct costs are incurred in the acquisition of online rights, the repurposing of content or the creation of content primarily for online, these are charged to online services. RTÉ is increasing its non-linear output with more programmes getting first transmission on digital platforms and a move towards a digital-first approach in news coverage. Reflecting this digital-first strategy, online services are allocated an appropriate proportion of the cost of common news-gathering infrastructure. Where content is sourced both for inclusion in broadcast programmes and used directly in online services, the cost of sourcing such content is allocated in line with the cost allocation principles set out above.

### (d) Programme inventories

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs, including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third-party studios and broadcasters. Costs for acquired programme inventories are defined as the third-party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features:	75% on first transmission
	25% on second transmission
Series:	99% on first transmission
	1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sports rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

# Notes Forming Part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information

### (a) Principal activities

RTÉ is a not-for-profit organisation. Its principal public-service activity is the broadcast of a comprehensive range of free-to-air television and radio channels, and online services. Further opportunities to access RTÉ's public-service content are provided via the RTÉ One+1 and RTÉjr channels. These services serve all demographic categories in Irish society with a wide variety of output and genres, irrespective of commercial audience attraction, and with specific emphasis on indigenously produced programmes. RTÉ's other public-service activities include RTÉ Orchestras.

The cost of RTÉ's public-service activities is substantially in excess of the amount of public funding received in the form of licence fee revenue. Accordingly, RTÉ also engages in ancillary commercial activities to support its public-service activities. These include the sale of advertising and sponsorship, publication of the *RTÉ Guide* and other broadcast-related commercial activities.

As required by legislation, RTÉ provides digital terrestrial television (DTT) multiplexing services which it makes available to national broadcasters, including RTÉ's own services, in accordance with published regulated market tariffs. The management of this multiplexing service is separated within RTÉ from the management of the broadcast divisions. RTÉ Transmission Network DAC (trading as 2rn), a subsidiary of RTÉ, supplies transmission and distribution services to multiplex operators (including RTÉ) and national and quasi-national sound broadcasters, including RTÉ. 2rn also makes the transmission network available to local broadcasters and rents surplus tower/mast space to a variety of third-party non-broadcast users.

From 1 January 2018, RTÉ has been restructured under the following divisions: Commercial, Content, News & Current Affairs, Audience, Channels and Marketing, Network and support divisions Operations & Production Services, Technology & Transformation, Human Resources and Finance. Network division, entirely located within 2rn, managed the transmission, distribution and related activities as described above. With effect from 1 January 2016, RTÉ established a Commercial division to manage all commercial activities other than: those carried on by 2rn, the provision of multiplexing services (see above) and sales of archive and library services managed by the Content division. The Commercial division was established further to the publication of RTÉ's updated Fair Trading Policy and Procedures to more clearly demonstrate the separation of RTÉ's public-service and commercial activities. For each division, the Director-General and the RTÉ Executive review internal management reports on a monthly basis. A detailed list of RTÉ's activities by division and legal entity is set out in note 20 to these financial statements.

In addition to the divisions, RTÉ operates Corporate HQ and Corporate division. Corporate HQ consists of general administrative and other activities that arise at the entity level relating to the governance of RTÉ as a public-service broadcaster. The Corporate division includes activities that are carried out centrally on behalf of the divisions, the cost of which is allocated in accordance with the cost allocation principles set out in note 1(c). The cost of the Corporate HQ is not allocated to divisions and is reported in All Other Segments.

### (b) Segmental information and other analysis

Broadcast and transmission services including multiplex services are charged to the Audience, Channels and Marketing division on the basis of published tariffs. 2rn invoices RTÉ at the published regulated tariff for supply of transmission and distribution services as a multiplex operator and as a sound broadcaster. Costs incurred in support of RTÉ's television and radio channels are charged to those channels on the basis of the published regulated tariffs. Other elements of the tariff are reported as a reconciling item between the cost of reportable segments and the total cost. Other 2rn services are invoiced at appropriate market rates.

Transactions between activities in pursuit of RTÉ's public-service objects and activities to exploit commercial opportunities are effected at market rates.

The segmental information in note 2(d) presents information for the divisions above. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

## 2. Principal Activities and Segmental Information (continued)

Note 2(e) provides an analysis of gross/net cost of public-service activities and (deficit)/surplus by channel and service. In addition, gross costs of indigenous content by broadcasting genre are also provided. The analysis between public-service and non-public-service activities is reported in a manner that is consistent with the principles used to report revenues and costs set out above.

Audience, Channels and Marketing, Content and News & Current Affairs division costs are fully allocated to the relevant television and radio channels and online services in accordance with the cost allocation principles outlined in note 1(c). Other supporting division costs are allocated to the divisions they support using appropriate cost accounting principles.

The residual non-channel and non-service activities are aggregated together under the category "Other" and include 2rn, provision of multiplexing services, *RTÉ Guide* and non-channel activities.

### (c) Licence fee attribution

Each RTÉ service has a detailed service description which clearly defines how the channel or service contributes to the delivery of RTÉ's public-service objects.

In line with common practice among public-service media organisations (PSMs) across the EU, RTÉ attributes public funding to individual services based on the net cost of the public service. Net cost of public service is the gross cost of delivering the public service after deducting the contribution from commercial activities.

The gross public-service cost of each of RTÉ's channels and services includes all costs incurred in the production and delivery of the service. It does not include any costs incurred in the exploitation of commercial opportunities arising from the provision of the service. These costs are allocated against the commercial revenue to which they relate, to calculate the commercial contribution. Surpluses on commercial activities not directly linked to channels or services are attributed to those public-service activities which have significant revenue-generating potential (RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm, online services) in proportion to the gross cost of public services.

Licence fee revenue is firstly attributed to those public-service channels and services that have a limited capacity to generate commercial revenue in their own right and therefore are, of necessity, primarily funded by licence fee revenue in order to facilitate continued delivery of the public service. The services at issue comprise RTÉ Orchestras, RTÉ Raidió na Gaeltachta, RTÉ lyric fm, statutory provision of programming to TG4, supplementary DTT and digital audio broadcast (DAB) channels ("other channels"), Corporate HQ and financing costs.

The remaining licence fee is attributed between services with significant commercial revenue potential in proportion to the net cost of the public services. These services include: RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm and online services. No licence fee revenue is attributed to 2rn, the provision of multiplexing services by RTÉ or any costs incurred in the exploitation of commercial opportunities.

# Notes Forming Part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued)

(d) Revenues, costs and (deficit)/surplus by Division (continuing operations), in line with RTÉ's organisation structure, year ended 31 December 2018

	REPORTABLE SEGMENTS					OTHER		
	Commercial division €'000	Content division €'000	News & Current Affairs division €'000	ACM division €'000	Network division €'000	All Other Segments €'000	Consolidation Adjustments* €'000	Group Total €'000
<b>Revenue</b>								
Advertising income	104,696	-	-	-	-	-	(487)	104,209
Sponsorship income	10,756	-	-	-	-	-	-	10,756
Facilities income	3,038	-	-	-	-	22	(91)	2,969
Circulation and event income	5,505	-	-	-	-	-	-	5,505
Transmission, mast and towers income	-	-	-	-	27,807	-	(17,971)	9,836
Content, merchandising and related sales	11,738	437	-	-	-	-	-	12,175
Other commercial revenue	50	-	-	-	-	4,590	(40)	4,600
Commercial revenue	135,783	437	-	-	27,807	4,612	(18,589)	150,050
Licence fee revenue attribution	-	120,484	30,746	32,527	-	5,298	-	189,055
	<b>135,783</b>	<b>120,921</b>	<b>30,746</b>	<b>32,527</b>	<b>27,807</b>	<b>9,910</b>	<b>(18,589)</b>	<b>339,105</b>
<b>Costs by output category**</b>								
<i>Programme and output costs - by source</i>								
In-house productions	-	(136,970)	(55,377)	(272)	-	-	509	(192,110)
Commissioned programming	-	(43,341)	(56)	(350)	-	-	-	(43,747)
Indigenous programming	-	(180,311)	(55,433)	(622)	-	-	509	(235,857)
Acquired programmes - Ireland	-	(1,457)	-	-	-	-	-	(1,457)
Acquired programmes - Overseas	-	(23,341)	-	(1,387)	-	-	-	(24,728)
	-	(205,109)	(55,433)	(2,009)	-	-	509	(262,042)
General broadcast, transmission & other output costs	(8,660)	(4,340)	-	(41,355)	(19,790)	(485)	924	(73,706)
2rn transmission and power charges	-	-	-	(14,193)	-	(3,269)	17,462	-
Sales costs	(9,577)	-	-	-	-	-	69	(9,508)
	<b>(18,237)</b>	<b>(209,449)</b>	<b>(55,433)</b>	<b>(57,557)</b>	<b>(19,790)</b>	<b>(3,754)</b>	<b>18,964</b>	<b>(345,256)</b>
<b>Unallocated revenues and costs</b>								
Corporate HQ	-	-	-	-	-	(5,004)	4	(5,000)
DTT related	-	-	-	-	-	(994)	170	(824)
Interest payable	-	-	-	-	(1,285)	(303)	-	(1,588)
Disposal of assets	-	1	1	-	3	-	-	5
<b>Divisional (Deficit)/Surplus</b>	<b>117,546</b>	<b>(88,527)</b>	<b>(24,686)</b>	<b>(25,030)</b>	<b>6,735</b>	<b>(145)</b>	<b>549</b>	<b>(13,558)</b>
Net defined benefit pension related finance income	-	-	-	-	-	968	-	968
Exceptional Items	-	-	-	-	-	(548)	-	(548)
<b>(Deficit)/Surplus before income tax</b>	<b>117,546</b>	<b>(88,527)</b>	<b>(24,686)</b>	<b>(25,030)</b>	<b>6,735</b>	<b>275</b>	<b>549</b>	<b>(13,138)</b>
Income tax	-	-	-	-	-	-	-	135
<b>(Deficit)/Surplus for the year</b>								<b>(13,003)</b>

\* Elimination of intra-group revenue and costs at arm's length.

\*\* Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

### Additional Segmental Disclosures

Commercial revenue of:								
External customers	135,205	437	-	-	9,796	4,612	-	150,050
Revenue from other operating segments	578	-	-	-	18,011	-	(18,589)	-
	<b>135,783</b>	<b>437</b>	<b>-</b>	<b>-</b>	<b>27,807</b>	<b>4,612</b>	<b>(18,589)</b>	<b>150,050</b>

One customer of all the reporting segments represents €192 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Depreciation and amortisation	127	2,676	1,451	1,426	7,053	234	(550)	12,417
Difference between pension charge and cash contributions	67	844	293	158	-	42	-	1,404

## 2. Principal Activities and Segmental Information (continued)

(d) Revenues, costs and surplus/(deficit) by Division (continuing operations), in line with RTÉ's organisation structure, year ended 31 December 2017

	REPORTABLE SEGMENTS					OTHER		
	Commercial Division €'000	Content Division €'000	News & Current Affairs Division €'000	ACM Division €'000	Network Division €'000	All Other Segments €'000	Consolidation Adjustments* €'000	Group Total €'000
<b>Revenue</b>								
Advertising income	105,020	-	-	-	-	-	(467)	104,553
Sponsorship income	10,237	-	-	-	-	224	-	10,461
Facilities income	3,485	-	-	-	-	30	(140)	3,375
Circulation and event income	5,318	-	-	-	-	-	-	5,318
Transmission, mast and towers income	-	-	-	-	28,460	-	(18,473)	9,987
Content, merchandising and related sales	12,913	443	-	-	-	-	(2)	13,354
Other commercial revenue	95	-	-	-	-	4,405	(40)	4,460
Commercial revenue	137,068	443	-	-	28,460	4,659	(19,122)	151,508
Licence fee revenue attribution	-	120,877	28,667	31,283	-	5,241	-	186,068
	<b>137,068</b>	<b>121,320</b>	<b>28,667</b>	<b>31,283</b>	<b>28,460</b>	<b>9,900</b>	<b>(19,122)</b>	<b>337,576</b>
<b>Costs by output category**</b>								
<i>Programme and output costs - by source</i>								
In-house productions	-	(138,062)	(52,662)	(91)	-	-	501	(190,314)
Commissioned programming	-	(40,845)	-	(32)	-	-	-	(40,877)
Indigenous programming	-	(178,907)	(52,662)	(123)	-	-	501	(231,191)
Acquired programmes - Ireland	-	(2,078)	-	-	-	-	-	(2,078)
Acquired programmes - Overseas	-	(25,044)	-	(419)	-	-	-	(25,463)
	-	(206,029)	(52,662)	(542)	-	-	501	(258,732)
General broadcast, transmission & other output costs	(11,502)	(4,499)	-	(40,555)	(18,660)	(199)	715	(74,700)
2m transmission and power charges	-	-	-	(14,208)	-	(3,760)	17,968	-
Sales costs	(9,333)	-	-	-	-	(19)	253	(9,099)
	<b>(20,835)</b>	<b>(210,528)</b>	<b>(52,662)</b>	<b>(55,305)</b>	<b>(18,660)</b>	<b>(3,978)</b>	<b>19,437</b>	<b>(342,531)</b>
<b>Other revenues and costs</b>								
Corporate HQ	-	-	-	-	-	(4,730)	(50)	(4,780)
DTT Related	-	-	-	-	-	(1,061)	293	(768)
Interest payable	-	-	-	-	(1,142)	(287)	-	(1,429)
Interest receivable	-	-	-	-	-	2	-	2
Disposal of assets	4,973	7	4	-	3	17	-	5,004
<b>Divisional Surplus/(Deficit)</b>	<b>121,206</b>	<b>(89,201)</b>	<b>(23,991)</b>	<b>(24,022)</b>	<b>8,661</b>	<b>(137)</b>	<b>558</b>	<b>(6,926)</b>
Net defined benefit pension related finance income	-	-	-	-	-	541	-	541
Exceptional Items	-	-	-	-	(108)	70,004	-	69,896
<b>Surplus/(Deficit) before income tax</b>	<b>121,206</b>	<b>(89,201)</b>	<b>(23,991)</b>	<b>(24,022)</b>	<b>8,553</b>	<b>70,408</b>	<b>558</b>	<b>63,511</b>
Income tax	-	-	-	-	-	-	-	(21,418)
<b>Surplus/(Deficit) for the year</b>								<b>42,093</b>

\* Elimination of intra-group revenue and costs at arm's length.

\*\* Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

### Additional Segmental Disclosures

Commercial revenue of:								
External customers	136,459	442	-	-	9,988	4,619	-	151,508
Revenue from other operating segments	609	1	-	-	18,472	40	(19,122)	-
	137,068	443	-	-	28,460	4,659	(19,122)	151,508

One customer of the Commercial reporting segment represents €35 million of the Group's total revenue, while one customer of all the reporting segments represents €191 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Depreciation and amortisation	76	4,185	1,246	1,273	6,049	58	(558)	12,329
Difference between pension charge and cash contributions	140	1,617	486	68	38	-	-	2,349

# Notes Forming Part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued)

(e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public-service and non-public-service activities, year ended 31 December 2018

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyricfm €'000	RTÉ RnaG €'000	RTÉ Support €'000	TG4 Orchestra €'000	RTÉ Orchestra €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Other Adjustments €'000	Consolidation Adjustments €'000	Group Total €'000
<b>PUBLIC-SERVICE ACTIVITIES</b>																
Indigenous programme costs																
In-house productions	(80,441)	(33,879)	(27,870)	(6,199)	(4,707)	(10,095)	(5,706)	(15,137)	-	-	-	(7,996)	(589)	-	509	(192,110)
Commissioned programming	(29,956)	(8,370)	(1,080)	(15)	(88)	(38)	(1,309)	-	-	-	-	(539)	(2,352)	-	-	(43,747)
	(110,397)	(42,249)	(28,950)	(6,214)	(4,795)	(10,133)	(7,015)	(15,137)	-	-	-	(8,535)	(2,941)	-	509	(235,857)
<b>Programme costs - by genre</b>																
Arts	(684)	-	(1,542)	-	(156)	(83)	-	-	-	-	-	-	-	-	-	(2,465)
Education	-	-	-	-	-	(159)	-	-	-	-	-	-	-	-	-	-
Religious	(2,473)	-	(314)	-	-	(159)	-	-	-	-	-	-	-	-	1	(2,945)
Other factual	(22,532)	(4,469)	(2,891)	-	(115)	(1,486)	(170)	-	-	-	-	(360)	-	-	53	(31,950)
Factual	(25,659)	(4,469)	(4,747)	-	(271)	(1,708)	(170)	-	-	-	-	(360)	-	-	54	(37,360)
Drama	(24,049)	(143)	(818)	-	-	(6)	(360)	-	-	-	-	(193)	-	-	3	(25,566)
Entertainment	(21,165)	(3,162)	(3,292)	(3,281)	(431)	(671)	(10)	-	-	-	-	(1,249)	-	-	3	(33,258)
Music	(816)	(336)	(980)	(1,611)	(3,328)	(1,782)	-	(15,137)	-	-	-	-	(589)	-	19	(24,560)
News, Current Affairs and Weather	(35,584)	(65)	(15,559)	(841)	(711)	(4,616)	(5,190)	-	-	-	-	(6,430)	-	-	403	(67,593)
Sport	(3,094)	(32,176)	(3,554)	(481)	-	(1,110)	(22)	-	-	-	-	(1,303)	-	-	26	(41,714)
Young Peoples	-	(1,898)	-	-	(54)	(240)	(1,263)	-	-	-	-	-	(2,352)	-	1	(5,806)
Indigenous programming	(110,397)	(42,249)	(28,950)	(6,214)	(4,795)	(10,133)	(7,015)	(15,137)	-	-	-	(8,535)	(2,941)	-	509	(235,857)
Acquired programmes																
- Ireland	(1,007)	(393)	-	-	-	-	-	-	-	-	-	-	(57)	-	-	(1,457)
- Overseas	(13,723)	(9,099)	-	-	-	-	-	-	-	-	-	(1,387)	(619)	-	-	(24,728)
General broadcast, transmission and other output costs	(12,514)	(9,512)	(4,630)	(4,166)	(693)	(648)	(14)	(524)	(5,004)	(994)	(994)	(7,724)	(913)	(3,734)	325	(50,745)
2m transmission and power charges	(2,554)	(2,696)	(1,970)	(1,131)	(1,144)	(1,130)	-	-	(303)	-	-	-	(3,568)	-	-	(14,193)
Net interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(303)
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	-	968	-	-	-	-	-	-	968
<b>Gross Cost of Public-Service Activities</b>	<b>(140,195)</b>	<b>(63,949)</b>	<b>(35,550)</b>	<b>(11,511)</b>	<b>(6,632)</b>	<b>(11,911)</b>	<b>(7,029)</b>	<b>(15,661)</b>	<b>(4,339)</b>	<b>(4,339)</b>	<b>(994)</b>	<b>(17,646)</b>	<b>(7,998)</b>	<b>(3,734)</b>	<b>834</b>	<b>(326,315)</b>
<b>Surplus on Commercial Activities</b>	<b>57,863</b>	<b>21,978</b>	<b>15,731</b>	<b>5,718</b>	<b>641</b>	-	-	<b>2,910</b>	<b>36</b>	<b>36</b>	-	<b>4,772</b>	<b>(32)</b>	<b>15,338</b>	<b>(285)</b>	<b>124,670</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>	<b>7,981</b>	<b>3,641</b>	<b>2,024</b>	<b>655</b>	-	-	-	-	-	-	-	<b>1,005</b>	<b>32</b>	<b>(15,338)</b>	-	-
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(74,351)</b>	<b>(35,330)</b>	<b>(17,795)</b>	<b>(5,138)</b>	<b>(5,991)</b>	<b>(11,911)</b>	<b>(7,029)</b>	<b>(12,751)</b>	<b>(4,303)</b>	<b>(4,303)</b>	<b>(994)</b>	<b>(11,869)</b>	<b>(7,998)</b>	<b>(3,734)</b>	<b>549</b>	<b>(201,645)</b>
<b>Public Funding</b>																
Licence fee revenue attribution	67,727	34,916	16,210	4,679	5,991	11,911	7,029	12,751	4,303	4,303	994	10,812	7,998	3,734	-	189,055
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	(548)	-	(548)
<b>(Deficit)/Surplus before income tax</b>	<b>(6,624)</b>	<b>(3,414)</b>	<b>(1,585)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(13,138)</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135	135
<b>(Deficit)/Surplus for the year</b>	<b>(6,624)</b>	<b>(3,414)</b>	<b>(1,585)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>(459)</b>	<b>549</b>	<b>(13,003)</b>

External commercial revenue includes €2.4 million from sales outside of the Republic of Ireland, primarily generated in the UK. Total non-current assets contain €0.1million situated outside of the Republic of Ireland in 2018 (2017: €0.1million).

## 2. Principal Activities and Segmental Information (continued)

(e) Analysis of revenues, costs and surplus/(deficit) by channel, service and broadcasting genre and between public-service and non-public-service activities, year ended 31 December 2017

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	RTÉ Support €'000	TG4 Orchestras €'000	RTÉ €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Consolidation Adjustments €'000	Group Total €'000	
<b>PUBLIC-SERVICE ACTIVITIES</b>																
Indigenous programme costs																
In-house productions	(79,264)	(34,168)	(29,257)	(7,954)	(4,793)	(9,952)	(6,048)	(15,210)	-	-	-	(4,093)	(76)	501	(190,314)	
Commissioned programming	(27,593)	(9,327)	(1,001)	(13)	(96)	(82)	(1,459)	-	-	-	-	(457)	(849)	-	(40,877)	
	(106,857)	(43,495)	(30,258)	(7,967)	(4,889)	(10,034)	(7,507)	(15,210)	-	-	-	(4,550)	(925)	501	(231,191)	
<b>Programme costs - by genre</b>																
Arts	(1,076)	-	(1,810)	-	(239)	(51)	-	-	-	-	-	-	-	1	(3,175)	
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Religious	(2,401)	(2)	(139)	-	-	(108)	-	-	-	-	-	-	-	-	(2,650)	
Other factual	(21,025)	(5,712)	(2,333)	-	(124)	(1,287)	-	-	-	-	-	(138)	-	61	(30,558)	
Factual	(24,502)	(5,714)	(4,282)	-	(363)	(1,446)	-	-	-	-	-	(138)	-	62	(36,383)	
Drama	(23,393)	(265)	(560)	-	-	(6)	(360)	-	-	-	-	(147)	-	-	(24,731)	
Entertainment	(20,347)	(1,889)	(3,538)	(2,901)	(525)	(859)	(1,239)	-	-	-	-	(1,404)	-	11	(32,691)	
Music	(887)	(626)	(3,705)	(2,716)	(3,405)	(1,700)	-	(15,210)	-	-	-	-	(100)	43	(28,306)	
News, Current Affairs and Weather	(34,820)	(100)	(14,672)	(1,981)	(542)	(4,685)	(5,112)	-	-	-	-	(1,697)	-	369	(63,240)	
Sport	(2,897)	(33,003)	(3,501)	(389)	-	(1,155)	(11)	-	-	-	-	(995)	-	14	(41,917)	
Young People's	(11)	(1,898)	-	-	(54)	(183)	(785)	-	-	-	-	(169)	-	2	(3,923)	
Indigenous programming	(106,857)	(43,495)	(30,258)	(7,967)	(4,889)	(10,034)	(7,507)	(15,210)	-	-	-	(4,550)	(925)	501	(231,191)	
Acquired programmes																
- Ireland	(1,818)	(260)	-	-	-	-	-	-	-	-	-	-	-	-	(2,078)	
- Overseas	(13,285)	(11,612)	-	-	-	-	-	-	-	-	-	(419)	(147)	-	(25,463)	
General broadcast, transmission and other output costs	(10,839)	(10,476)	(4,663)	(3,292)	(555)	(472)	(51)	(450)	(4,730)	(4,064)	(1,061)	(9,146)	(621)	276	(50,144)	
2m transmission and power charges	(2,588)	(2,778)	(2,004)	(1,097)	(1,111)	(1,097)	-	-	(285)	-	-	-	(3,533)	-	(14,208)	
Net interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(285)	
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	-	541	-	-	-	-	-	541	
<b>Gross Cost of Public-Service Activities</b>	<b>(135,387)</b>	<b>(68,621)</b>	<b>(36,925)</b>	<b>(12,356)</b>	<b>(6,555)</b>	<b>(11,603)</b>	<b>(7,558)</b>	<b>(15,660)</b>	<b>(4,474)</b>	<b>(1,061)</b>	<b>(1,061)</b>	<b>(14,115)</b>	<b>(5,226)</b>	<b>(4,064)</b>	<b>777</b>	<b>(322,828)</b>
<b>Surplus on Commercial Activities</b>	<b>60,741</b>	<b>21,109</b>	<b>15,982</b>	<b>4,422</b>	<b>451</b>	<b>-</b>	<b>2,737</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,366</b>	<b>-</b>	<b>18,492</b>	<b>(219)</b>	<b>130,375</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>	<b>9,363</b>	<b>4,745</b>	<b>2,554</b>	<b>854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>976</b>	<b>-</b>	<b>(18,492)</b>	<b>-</b>	<b>-</b>
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(65,283)</b>	<b>(42,767)</b>	<b>(18,389)</b>	<b>(7,080)</b>	<b>(6,104)</b>	<b>(11,603)</b>	<b>(7,558)</b>	<b>(12,923)</b>	<b>(4,180)</b>	<b>(1,061)</b>	<b>(1,061)</b>	<b>(6,773)</b>	<b>(5,226)</b>	<b>(4,064)</b>	<b>558</b>	<b>(192,453)</b>
<b>Public Funding</b>																
Licence fee revenue attribution	62,053	40,650	17,479	6,729	6,104	11,603	7,558	12,923	4,180	1,061	1,061	6,438	5,226	4,064	-	186,068
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	69,896	-	69,896
<b>Surplus/(Deficit) before Income tax</b>	<b>(3,230)</b>	<b>(2,117)</b>	<b>(910)</b>	<b>(351)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(335)</b>	<b>-</b>	<b>69,896</b>	<b>558</b>	<b>63,511</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,418)	-	(21,418)
<b>Surplus/(Deficit) for the year</b>	<b>(3,230)</b>	<b>(2,117)</b>	<b>(910)</b>	<b>(351)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(335)</b>	<b>-</b>	<b>48,478</b>	<b>558</b>	<b>42,093</b>

External commercial revenue includes €3.0 million from sales outside of the Republic of Ireland, primarily generated in the UK.

# Notes Forming Part of the Group Financial Statements (continued)

## 2. Principal Activities and Segmental Information (continued)

### (f) Analysis of network charges to all RTÉ services

	2018 €'000	2017 €'000
RTÉ One	2,791	2,863
RTÉ2	2,696	2,789
RTÉ Radio 1	2,042	2,044
RTÉ 2fm	1,147	1,113
RTÉ lyric fm	1,153	1,122
RTÉ Raidió na Gaeltachta	1,224	1,204
Other	3,638	3,533
	<b>14,691</b>	14,668

## 3. Operating Costs (before depreciation, amortisation and gain on disposal of assets)

	2018 €'000	2017 €'000
Employee costs (note 7)	148,495	152,253
Other personnel-related costs (including contractors)	34,869	30,159
Personnel-Related Operating Costs	<b>183,364</b>	182,412
Direct commissioned programme costs	40,680	38,620
Direct acquired programme costs	27,145	27,356
Sports and other copyrights	20,556	18,714
Outside broadcast contracts	5,573	5,268
Communication circuits	2,881	3,190
RTÉ Guide printing and related costs	1,292	1,408
Network electricity	2,304	2,299
Music licences	7,769	7,704
Insurance policies	1,715	1,938
Staff travel and subsistence	3,015	3,331
Other third-party costs	43,509	42,280
Non-Personnel-Related Operating Costs before depreciation and amortisation	<b>156,439</b>	152,108
<b>Total Operating Costs (before depreciation and amortisation and exceptional items)</b>	<b>339,803</b>	334,520

#### 4. Finance (Income)/Expense

	2018 €'000	2017 €'000
Interest income on bank deposits	-	(1)
Investment in Joint Venture	(56)	-
Fair value gains on derivative financial instruments not designated as cash flow hedges	(1,084)	-
<b>Finance Income</b>	<b>(1,140)</b>	<b>(1)</b>
Interest income on scheme assets (note 21)	(968)	(17,703)
Interest cost on scheme liabilities (note 21)	-	17,162
Net defined benefit pension related finance income	(968)	(541)
<b>Finance income recognised in Income Statement</b>	<b>(2,108)</b>	<b>(542)</b>
Interest and finance costs on borrowings	1,184	1,117
Interest cost on bank deposits	97	-
Cash flow hedge – reclassified from Other Comprehensive Income	218	218
Unwind of discount on restructuring costs	89	94
Fair value losses on derivative financial instruments not designated as cash flow hedges	-	1,228
<b>Finance expense recognised in Income Statement</b>	<b>1,588</b>	<b>2,657</b>

#### 5. (Deficit)/Surplus before Income Tax

(a) The (deficit)/surplus before income tax includes the following amounts:

	2018 €'000	2017 €'000
Licence Fee Income		
- Grant in aid from the Department of Communications, Climate Action and Environment	189,055	186,068
Net depreciation and amortisation		
- Depreciation of property, plant and equipment	11,696	11,500
- Amortisation of grant-aided assets	(21)	(8)
- Amortisation of intangible assets	742	838
	<b>12,417</b>	<b>12,330</b>
Operating costs		
- Gain on foreign exchange	(471)	(309)
- Operating lease rentals	542	543
- Other grant income received (note 25)	903	766
- Gain on disposal of property, plant and equipment and intangible assets	(5)	(5,004)

# Notes Forming Part of the Group Financial Statements (continued)

## 5. (Deficit)/Surplus Before Income Tax (continued)

### (b) Auditors' remuneration:

During the year Deloitte Ireland LLP were appointed as auditors. Prior year fees represent amounts paid to KPMG.

	2018 €'000	2017 €'000
<b>Group</b>		
Audit of the financial statements (including expenses)	120	114
Other assurance services	70	106
Tax advisory services	-	223
Other non-audit services	-	195
	<b>190</b>	<b>638</b>

	2018 €'000	2017 €'000
<b>RTÉ</b>		
Audit of the financial statements (including expenses)	95	90
Other assurance services	40	75
Tax advisory services	-	199
Other non-audit services	-	192
	<b>135</b>	<b>556</b>

### (c) Directors' remuneration:

	2018 €'000	2017 €'000
<b>Fees<sup>1</sup></b>	<b>137</b>	157
Other remuneration including retirement benefit contributions	<b>338</b>	338
	<b>475</b>	495

<sup>1</sup> In addition to Board fees, Aengus Mac Grianna and Robert Shortt were paid as employees of RTÉ.

Further details on Board fees can be found in the Corporate Governance section.

## 6. Exceptional Items

Exceptional items are those items which, in the judgement of the Board, need to be disclosed separately by virtue of their scale and nature. These exceptional items, detailed below, could distort the understanding of the underlying performance for the year and comparability between periods and are therefore presented separately.

	2018 €'000	2017 €'000
Gain on disposal of property	-	(104,651)
Sales-enabling project costs	<b>638</b>	5,166
Restructuring and other charges	<b>(90)</b>	29,591
	<b>548</b>	(69,896)

In July 2017, RTÉ concluded the sale of 8.64 acres of land at Donnybrook for €107,500,000 which, after direct transactional costs, gave rise to a gain on disposal of asset of €104,651,000. To deliver the lands unencumbered to the purchaser, a series of sales-enabling projects were required to be carried out, both pre-sale and subsequent to the sale. These infrastructural projects included the building of a new entrance to the RTÉ campus from the R138 and the relocation of existing activities to the Nutley end of the site. At 31 December 2018, sales-enabling project costs of €638,000 (2017: €5,166,000) have been expensed in the Income Statement and €2,517,000 (2017: €1,718,000) have been capitalised as assets. In total sales-enabling project costs of €10 million were incurred.

As part of the overall restructuring to One RTÉ announced by the Director-General in 2017, and to reduce the operating cost base, RTÉ has set a target to reduce overall staffing levels by between 200 and 300 people and deliver ongoing annual sustainable savings. A key element of the restructuring programme was the launch of the voluntary exit programme (VEP) in September 2017, which included both retirement and redundancy options. At 31 December 2018, a gain of €90,000 (2017: charge of €29,591,000) was recorded in the Income Statement. Restructuring and other charges include the cost of the benefits provided to individuals leaving under the VEP, professional fees and advisory services costs relating to the VEP, the net change in amounts relating to pension reimbursements to the RTÉ Superannuation Scheme, the organisational design and other professional advisory services.

## 7. Employee Information

Group staff costs during the year amounted to:

	2018 €'000	2017 €'000
Wages and salaries	<b>122,820</b>	125,189
Social welfare costs	<b>11,269</b>	11,364
Pension costs and life assurance	<b>14,406</b>	15,700
	<b>148,495</b>	152,253

# Notes Forming Part of the Group Financial Statements (continued)

## 7. Employee Information (continued)

The total number of full-time, part-time and casual employees of the Group at 31 December, and their full-time equivalent (FTE) were:

	No. of employees		FTEs	
	2018	2017	2018	2017
RTÉ Group	<b>1,822</b>	1,924	<b>1,691</b>	1,746

The average annual number of full-time, part-time and casual employees during the year was:

	2018	2017
Average full-time employees	<b>1,565</b>	1,653
Average part-time employees	<b>125</b>	144
Average casual employees	<b>163</b>	141
RTÉ Group	<b>1,853</b>	1,938

## 8. Income Tax

	2018 €'000	2017 €'000
<b>Current Tax (Credit)/Expense</b>		
Current year	<b>(268)</b>	21,018
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences (note 22)	<b>133</b>	400
<b>Total Income Tax (Credit)/Expense</b>	<b>(135)</b>	21,418

## 8. Income Tax (continued)

### Reconciliation of Effective Tax Rate

	2018 €'000	2017 €'000
(Deficit)/Surplus before income tax	<b>(13,138)</b>	63,511
(Deficit)/Surplus before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2017: 12.5%)	<b>(1,642)</b>	7,939
Effects of:		
Income taxable at a higher rate of tax	<b>3</b>	13,026
Non-recognition of deferred tax asset on current year tax losses	<b>1,365</b>	-
Withholding tax	<b>2</b>	10
Pension timing differences	<b>61</b>	232
Other differences	<b>50</b>	(346)
Losses utilised including group relief surrendered	-	(189)
Disallowed expenses	<b>26</b>	746
<b>Total Income Tax (Credit)/Expense</b>	<b>(135)</b>	21,418
<b>Deferred Tax Recognised directly in Other Comprehensive Income</b>		
Relating to pension asset (note 22)	<b>169</b>	(2,731)
Relating to cash flow hedge (note 22)	<b>(24)</b>	(21)
	<b>145</b>	(2,752)

Television licence fee income that RTÉ receives by way of “grant-in-aid” is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €658 million at 31 December 2018. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

# Notes Forming Part of the Group Financial Statements (continued)

## 9. Property, Plant and Equipment

Group	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
<b>Cost</b>					
Balance at 1 January 2017	71,535	192,776	2,136	5,384	271,831
Additions	-	-	-	7,785	7,785
Reclassifications	607	3,975	16	(4,598)	-
Disposals and retirements	(10,665)	(29,609)	(129)	-	(40,403)
Balance at 31 December 2017	61,477	167,142	2,023	8,571	239,213
Balance at 1 January 2018	61,477	167,142	2,023	8,571	239,213
Additions	-	-	-	13,442	13,442
Reclassifications	445	3,621	-	(4,066)	-
Disposals and retirements	(68)	(1,255)	-	-	(1,323)
<b>Balance at 31 December 2018</b>	<b>61,854</b>	<b>169,508</b>	<b>2,023</b>	<b>17,947</b>	<b>251,332</b>
<b>Depreciation</b>					
Balance at 1 January 2017	60,482	139,287	1,926	-	201,695
Depreciation for the year	1,775	9,655	70	-	11,500
Disposals and retirements	(10,362)	(29,605)	(128)	-	(40,095)
Balance at 31 December 2017	51,895	119,337	1,868	-	173,100
Balance at 1 January 2018	51,895	119,337	1,868	-	173,100
Depreciation for the year	1,680	9,976	40	-	11,696
Disposals and retirements	(68)	(1,242)	-	-	(1,310)
<b>Balance at 31 December 2018</b>	<b>53,507</b>	<b>128,071</b>	<b>1,908</b>	<b>-</b>	<b>183,486</b>
<b>Net Book Value</b>					
At 31 December 2017	9,582	47,805	155	8,571	66,114
<b>At 31 December 2018</b>	<b>8,347</b>	<b>41,437</b>	<b>115</b>	<b>17,947</b>	<b>67,846</b>

## 9. Property, Plant and Equipment (continued)

RTÉ	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
<b>Cost</b>					
Balance at 1 January 2017	60,663	92,107	1,929	3,468	158,167
Additions	-	-	-	3,395	3,395
Reclassifications	507	3,160	15	(3,682)	-
Disposals and retirements	(10,653)	(25,479)	(120)	-	(36,252)
Balance at 31 December 2017	50,517	69,788	1,824	3,181	125,310
Balance at 1 January 2018	50,517	69,788	1,824	3,181	125,310
Additions	-	-	-	7,371	7,371
Reclassifications	241	1,537	-	(1,778)	-
Disposals and retirements	-	(88)	-	-	(88)
Transfers between entities	-	190	-	-	190
<b>Balance at 31 December 2018</b>	<b>50,758</b>	<b>71,427</b>	<b>1,824</b>	<b>8,774</b>	<b>132,783</b>
<b>Depreciation</b>					
Balance at 1 January 2017	55,406	82,959	1,850	-	140,215
Depreciation for the year	1,322	4,669	51	-	6,042
Disposals and retirements	(10,352)	(25,479)	(120)	-	(35,951)
Balance at 31 December 2017	46,376	62,149	1,781	-	110,306
Balance at 1 January 2018	46,376	62,149	1,781	-	110,306
Depreciation for the year	1,221	3,941	21	-	5,183
Disposals and retirements	-	(88)	-	-	(88)
Transfers between entities	-	195	-	-	195
<b>Balance at 31 December 2018</b>	<b>47,597</b>	<b>66,197</b>	<b>1,802</b>	<b>-</b>	<b>115,596</b>
<b>Net Book Value</b>					
At 31 December 2017	4,141	7,639	43	3,181	15,004
<b>At 31 December 2018</b>	<b>3,160</b>	<b>5,230</b>	<b>22</b>	<b>8,774</b>	<b>17,186</b>

# Notes Forming Part of the Group Financial Statements (continued)

## 10. Intangible Assets

Group	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2017	15,849	674	16,523
Additions	-	2,030	2,030
Reclassifications	1,096	(1,096)	-
Disposals and retirements	(4,846)	-	(4,846)
Balance at 31 December 2017	12,099	1,608	13,707
Balance at 1 January 2018	12,099	1,608	13,707
Additions	-	3,225	3,225
Reclassifications	1,629	(1,629)	-
Disposals and retirements	-	-	-
<b>Balance at 31 December 2018</b>	<b>13,728</b>	<b>3,204</b>	<b>16,932</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2017	14,503	-	14,503
Amortisation for the year	838	-	838
Disposals and retirements	(4,846)	-	(4,846)
Balance at 31 December 2017	10,495	-	10,495
Balance at 1 January 2018	10,495	-	10,495
Amortisation for the year	742	-	742
Disposals and retirements	-	-	-
<b>Balance at 31 December 2018</b>	<b>11,237</b>	<b>-</b>	<b>11,237</b>
<b>Net Book Value</b>			
At 31 December 2017	1,604	1,608	3,212
<b>At 31 December 2018</b>	<b>2,491</b>	<b>3,204</b>	<b>5,695</b>

## 10. Intangible Assets (continued)

RTÉ	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2017	13,458	604	14,062
Additions	-	2,100	2,100
Reclassifications	1,096	(1,096)	-
Disposals and retirements	(3,649)	-	(3,649)
Balance at 31 December 2017	10,905	1,608	12,513
Balance at 1 January 2018	10,905	1,608	12,513
Additions	-	3,225	3,225
Reclassifications	1,629	(1,629)	-
Disposals and retirements	-	-	-
Transfers between entities	274	-	274
<b>Balance at 31 December 2018</b>	<b>12,808</b>	<b>3,204</b>	<b>16,012</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2017	12,181	-	12,181
Amortisation for the year	809	-	809
Disposals and retirements	(3,649)	-	(3,649)
Balance at 31 December 2017	9,341	-	9,341
<b>Balance at 1 January 2018</b>	<b>9,341</b>	<b>-</b>	<b>9,341</b>
Amortisation for the year	729	-	729
Disposals and retirements	-	-	-
Transfers between entities	274	-	274
<b>Balance at 31 December 2018</b>	<b>10,344</b>	<b>-</b>	<b>10,344</b>
<b>Net Book Value</b>			
At 31 December 2017	1,565	1,608	3,171
<b>At 31 December 2018</b>	<b>2,464</b>	<b>3,204</b>	<b>5,668</b>

# Notes Forming Part of the Group Financial Statements (continued)

## 11. Inventories

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
<b>Work in progress</b>				
In-house programmes	492	1,128	459	1,097
Commissioned programmes	13,543	16,300	13,543	16,300
<b>Finished programmes</b>				
Acquired programmes and films	13,229	13,815	13,229	13,815
In-house programmes	238	333	238	333
Commissioned programmes	3,630	3,163	3,630	3,163
Other inventories	113	132	-	-
	<b>31,245</b>	<b>34,871</b>	<b>31,099</b>	<b>34,708</b>

Inventories consumed during the year ended 31 December 2018 total €81.1 million (2017: €75.8 million).

Other inventories relate to printing paper held in respect of the *RTÉ Guide*.

## 12. Trade and Other Receivables, Prepayments and Accrued Income

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
<b>Current Assets</b>				
Trade receivables	41,565	39,438	35,605	34,913
Corporation tax asset	232	-	232	-
Other receivables	84	56	84	55
Prepayments	14,960	16,783	14,479	16,396
Accrued income	2,889	3,417	400	448
	<b>59,730</b>	<b>59,694</b>	<b>50,800</b>	<b>51,813</b>

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 23.

## 13. Liquid Investments

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Liquid investments - term deposits	-	36,993	-	36,993
Weighted average interest rate on term deposits	-	-0.08%	-	-0.08%

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

## 14. Cash and Cash Equivalents

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
<b>Current Assets</b>				
Bank balances	<b>37,961</b>	70,126	<b>31,381</b>	59,008
Call deposits	<b>29,000</b>	-	<b>29,000</b>	-
Total cash and cash equivalents	<b>66,961</b>	70,126	<b>60,381</b>	59,008
Weighted average interest rate	<b>0%</b>	0.08%	<b>0%</b>	0.08%

Bank balances include €6.70 million (2017: €5.68 million) in respect of amounts held in the Independent Programmes account in accordance with Section 116 of the *Broadcasting Act 2009*.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 23.

## 15. Interest-Bearing Loans and Borrowings

	Interest rate %	Maturity	Group		RTÉ	
			2018 €'000	2017 €'000	2018 €'000	2017 €'000
Revolving credit facility	Lender cost of funds plus margin	28 January 2021	<b>5,000</b>	-	<b>5,000</b>	-
Project loan and term loan facility	EURIBOR plus margin	18 June 2019	<b>45,000</b>	49,500	-	-
			<b>50,000</b>	49,500	<b>5,000</b>	-
Analysed as follows:						
Non-Current			-	45,000	-	-
Current			<b>50,000</b>	4,500	<b>5,000</b>	-
			<b>50,000</b>	49,500	<b>5,000</b>	-

On 28 January 2016, RTÉ entered into a revolving credit facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2018 €5 million (2017: nil) has been drawn down.

The Group has a project loan facility agreement, through its subsidiary 2rn, with Barclays Bank Ireland PLC amounting to €53 million in aggregate, of which €45 million was drawn at 31 December 2018. During 2015, an interest rate swap was entered into in respect of €40 million of this project loan facility, until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge and, in accordance with the accounting policies, hedge accounting has been applied. In January 2019, this facility was re-financed.

# Notes Forming Part of the Group Financial Statements (continued)

## 15. Interest-Bearing Loans and Borrowings (continued)

### Lender security – project loan facility

It was one of the conditions to the availability of the project loan facility that 2rn execute a security deed agreement and provide the lender security as follows:

- a) Lands of 13 main DTT transmission sites;
- b) All 2rn present and future fixtures and fittings on the DTT transmission sites;
- c) All 2rn rental income and occupational leases;
- d) Rights and benefits of 2rn insurance policies;
- e) The insurance proceeds account; and
- f) Deeds of Assignment creating security assignments in respect of certain commercial contracts and DTT Construction Contracts.

RTÉ has entered an undertaking to pay to 2rn by way of a loan an amount equal to any interest and/or fees falling due under the loan facility agreement should 2rn not have sufficient funds to do so. The undertaking is subject to specific terms and conditions which determine when this obligation arises.

## 16. Trade and Other Payables

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Trade payables	4,150	9,275	3,318	7,379
Amounts owed to subsidiary entities	-	-	167,072	163,978
Accruals	72,684	67,403	68,816	63,105
Deferred income	7,789	7,388	4,061	4,127
	<b>84,623</b>	84,066	<b>243,267</b>	238,589
<b>Analysed as follows:</b>				
Non-current liabilities	4,617	3,858	4,617	3,858
Current liabilities	80,006	80,208	238,650	234,731
	<b>84,623</b>	84,066	<b>243,267</b>	238,589

The Group's exposure to currency risk related to trade and other payables is disclosed in note 23.

## 17. Taxation and Social Welfare

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
VAT	5,244	5,389	4,361	4,811
Payroll	4,103	5,273	4,020	5,188
Other taxes	-	21,007	-	19,229
	<b>9,347</b>	31,669	<b>8,381</b>	29,228

## 18. Employee Benefits

### (a) Total employee benefits

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Restructuring costs (b)	<b>16,675</b>	23,055	<b>16,619</b>	22,990
Other payroll-related accruals (c)	<b>8,804</b>	7,151	<b>8,568</b>	6,892
Total employee benefits	<b>25,479</b>	30,206	<b>25,187</b>	29,882

#### Analysed as follows:

Non-current liabilities	<b>12,941</b>	5,878	<b>12,723</b>	5,636
Current liabilities	<b>12,538</b>	24,328	<b>12,464</b>	24,246
	<b>25,479</b>	30,206	<b>25,187</b>	29,882

### (b) Restructuring costs

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Balance at beginning of year	<b>23,055</b>	12,895	<b>22,990</b>	12,895
Charged during the year	<b>(90)</b>	26,681	<b>(90)</b>	26,573
Utilised during the year	<b>(6,379)</b>	(16,615)	<b>(6,370)</b>	(16,572)
Interest charge (note 4)	<b>89</b>	94	<b>89</b>	94
Balance at end of year	<b>16,675</b>	23,055	<b>16,619</b>	22,990

#### Analysed as follows:

Non-current	<b>9,021</b>	2,653	<b>8,975</b>	2,589
Current	<b>7,654</b>	20,401	<b>7,644</b>	20,401
Balance at end of year	<b>16,675</b>	23,055	<b>16,619</b>	22,990

The restructuring costs at 31 December 2018 represent the discounted value of future payments required in respect of the Group's remaining obligations, which will be paid until 2026, under the various restructuring schemes.

### (c) Other employee-related accruals

Other employee-related accruals consist of employee benefits such as employee remuneration and holiday leave provided for in accordance with *IAS 19 Employee benefits* (2011).

## 19. Cash Flow Hedge Reserve

Group	Note	2018 €'000	2017 €'000
Balance at 1 January		<b>(261)</b>	(409)
Effective portion of cash flow hedge		<b>(24)</b>	(49)
Reclassification of cash flow hedge reserve to Income Statement		<b>218</b>	218
Deferred tax on cash flow hedge	22	<b>(24)</b>	(21)
Balance at 31 December		<b>(91)</b>	(261)

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the interest rate swap related to the Barclay's project loan facility.

# Notes Forming Part of the Group Financial Statements (continued)

## 20. Investments in Subsidiaries

<b>RTÉ</b>	<b>Total €'000</b>
Balance at 1 January 2018	65,827
Additions	-
<b>Balance at 31 December 2018</b>	<b>65,827</b>

RTÉ had the following subsidiaries at 31 December 2018:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises DAC	100%	Publications, various commercial activities & other
RTÉ Music DAC	100%	Music publishing
RTÉ Transmission Network DAC (trading as 2rn)	100%	Management of transmission network assets
RTÉ Licence Collections Limited	100%	Dormant
DTT Network Company	100%	Dormant
Seirbhísí Theilifís na Gaeilge Teoranta	100%	Dormant

The Board has reviewed the carrying value of the Group's investments and is satisfied that there are no impairment indicators and the values are fairly stated.

All subsidiaries operate in Ireland and have their registered offices at RTÉ, Donnybrook, Dublin 4. RTÉ Music DAC is a wholly owned subsidiary of RTÉ Commercial Enterprises DAC.

In December 2018, 2rn paid a €10 million dividend to RTÉ. This is recognised as income by RTÉ company.

RTÉ had the following joint venture at 31 December 2018:

Joint venture company	Share capital held	Class of business
Multiplex Broadcasting Services NI Limited	66.6%	Transmission of free-to-air digital television services in Northern Ireland and related multiplex services

The registered office of Multiplex Broadcasting Services NI Limited is at Murray House, Murray St, Belfast.

RTÉ Commercial Enterprises DAC had the following joint venture at 31 December 2018:

Joint venture company	Share capital held	Class of business
GAAGO Media Limited	50%	IPTV service broadcasting GAA matches internationally

The registered office of GAAGO Media Limited is at Croke Park Stadium, Jones' Road, Drumcondra, Dublin 3.

## 20. Investments in Subsidiaries (continued)

Classification of RTÉ Group activities by division and by legal entity as at 31 December 2018

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
<b>COMMERCIAL DIVISION</b>				
Television advertising and sponsorship sales	•			
Radio advertising and sponsorship sales	•			
Sale of online banner advertising and sponsorship	•			
Sale of Aertel teletext advertising and sponsorship	•			
Hire of television production facilities to third parties		•		
Commercial telecoms revenue		•		
Programme merchandising sales		•		
Listing sales		•		
Provision of broadcast circuits and technical facilities to third parties		•		
Television programme sales		•		
Studio production of television advertisements for third parties		•		
Hire of radio production facilities to third parties		•		
Roadcaster mobile studio and promotional sales		•		
Studio production of radio advertisements		•		
Sale of music copyright			•	
Provision of international paid-for video-on-demand services		•		
Generation of revenue from Orchestra performances	•			
Production and publication of the <i>RTÉ Guide</i> magazine		•		
<i>RTÉ Guide</i> advertising sales		•		
Administration of Commercial Division	•			
<b>AUDIENCE, CHANNELS AND MARKETING DIVISION</b>				
Free-to-air broadcast of public-service television schedules and channels	•			
Free-to-air broadcast of public-service radio schedules and channels	•			
Promotion and marketing of services and channels	•			
Provision of RTÉ Aertel teletext services	•			
Provision of a range of free-to-public, public-service web-based online services	•			
Operation of the RTÉ Player and rte.ie to domestic and international audiences	•			
Incubation and development of new media technologies	•			
Provision of additional opportunities to access RTÉ's public-service news content via RTÉ News Now Online	•			
Administration of Audience, Channels and Marketing Division	•			
<b>CONTENT DIVISION</b>				
Commissioning and production of indigenous television and radio programmes	•			
Statutory commissioning of programme content from independent EU producers	•			
Acquisition of domestic/non-domestic television and radio programmes	•			
Statutory provision of non-news and current affairs programming to TG4	•			

# Notes Forming Part of the Group Financial Statements (continued)

## 20. Investments in Subsidiaries (continued)

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
Maintenance of television channel archives and news library	•			
Sale of library and archive material		•		
Maintenance of radio channel archives and library	•			
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Administration of Content Division	•			
<b>NEWS &amp; CURRENT AFFAIRS DIVISION</b>				
Provision of a national and international news-gathering service	•			
Production and coverage of television and radio news bulletins, events and programmes	•			
Commissioning and production of current affairs programmes	•			
Statutory provision of news and current affairs programming to TG4	•			
Provision of news and current affairs content to RTÉ's free-to-access public-service online services	•			
Administration of News & Current Affairs Division	•			
<b>NETWORK DIVISION</b>				
Provision of national analogue radio broadcast transmission services				•
Provision of national digital radio transmission services				•
Provision of multiplexing, transmission and distribution services to multiplex operators				•
Hire of ancillary mast and tower facilities				•
Administration of 2rn				•
<b>OPERATIONS &amp; PRODUCTION SERVICES DIVISION</b>				
Provision of television, radio and online production services to Content and News & Current Affairs	•			
Provision of television, radio and online production services to Audience, Channels and Marketing	•			
Provision of site and related infrastructural support services	•			
Administration of Operations Division	•			
<b>OTHER DIVISIONS</b>				
Technology & Transformation, Human Resources and Finance Divisions	•			
Corporate Division including Corporate Communications, Legal and provision of DTT Multiplexing services to broadcasters (Saorview)	•			
<b>CORPORATE HQ</b>				
Holding of investments in broadcasting-related activities	•			
Direction and overall operation of public-service broadcaster	•			

## 21. Retirement Benefit Obligations (Group and RTÉ)

The Group is the principal sponsoring employer of:

- (a) the RTÉ Superannuation Scheme (a funded, contributory, final salary defined benefit pension scheme to which no new employees have been admitted since 1989);
- (b) the RTÉ "50/50" Risk-Sharing Pension Scheme (a funded, contributory pension scheme with a core defined benefit (DB) promise based on a capped salary level with a defined contribution (DC) arrangement for earnings above the cap); and
- (c) the RTÉ Defined Contribution Pension Scheme (a funded, contributory DC scheme) and also makes contributions to a number of other smaller defined contribution pension schemes on behalf of employees.

The schemes above are established as separate trust funds, each managed by a board of trustees who have responsibility for overseeing the schemes' operations, including the investment of the schemes' assets.

### (i) Pension charge

The employer pension charge in respect of each year for the various schemes was:

	2018 €'000	2017 €'000
RTÉ Superannuation Scheme		
- current service cost	<b>(2,104)</b>	(3,257)
- past service cost <sup>1</sup>	-	(5,694)
RTÉ "50/50" Risk-Sharing Pension Scheme (DB section)		
- current service cost	<b>(1,664)</b>	(1,634)
	<b>(3,768)</b>	(10,585)
RTÉ "50/50" Risk-Sharing Pension Scheme (DC section)	<b>(393)</b>	(350)
RTÉ Defined Contribution Pension Scheme	<b>(9,283)</b>	(9,502)
Other schemes	<b>(20)</b>	(20)

<sup>1</sup> The past service cost arises in 2017 as a result of the decision by RTÉ to cease reimbursements to the pension scheme under previous restructuring schemes.

### (ii) Defined benefit arrangements

As is required by the *Pensions Act, 1990*, independent actuarial valuation reports based on actuarially determined long-term funding assumptions are regularly carried out in respect of the RTÉ Superannuation Scheme. The most recent actuarial funding valuation report is dated 1 January 2019 and was completed subsequent to the 2018 year end by the actuaries, Mercer, who are neither officers nor employees of the Group. This actuarial funding valuation uses the "attained age" method of valuation to derive the future service cost. For this valuation the actuary has provided a surplus calculated on a total-service funding position. This compares total liabilities (past and future service) with the value of assets plus the value of future employee and employer contributions at standard rates. The total-service funding position at 1 January 2019 shows a surplus of €43.0 million. The equivalent surplus at 1 January 2018 was €18.3 million. The actuarial funding valuation report is not available for public inspection; however the results of valuations are advised to members.

The actuaries have also carried out a valuation in accordance with the minimum funding standard (MFS) as at 1 January 2019 and have reported a surplus on this basis of €134.0 million (1 January 2018: surplus of €159.4 million). An Actuarial Funding Certificate has been submitted on this basis. The scheme also met the funding standard reserve at 1 January 2019 and a certificate confirming this outcome has been submitted to the Pension Authority.

# Notes Forming Part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

As required by the accounting standard IAS 19 (2011), the actuaries, Mercer, also prepare a report setting out the position of the RTÉ Superannuation Scheme using the accounting valuation methodology specified in IAS 19 (2011). The IAS 19 (2011) approach to defined benefit fund accounting valuation and reporting uses the projected unit credit method to derive annual future pension charges, values assets at current fair market value and discounts future liabilities (using high grade corporate bond rates of approximate duration to the estimated life of the liabilities of the scheme) to arrive at a net present value of the liabilities of the scheme. The difference between the asset and liability valuations at 31 December 2018 amounts to an asset of €46.6 million.

The Group expects to pay €0.5 million in contributions to the RTÉ Superannuation Scheme in 2019.

RTÉ “50/50” Risk-Sharing Pension Scheme:

The most recent actuarial funding valuation in respect of the RTÉ “50/50” Risk-Sharing Pension Scheme was carried out as at 1 January 2019 and was completed subsequent to the 2018 year end by the scheme actuary, Mercer. This actuarial funding valuation, which uses the “attained age” method of valuation to derive the future service cost, discloses the scheme to have a surplus of €4.0 million (1 January 2018: surplus €4.0 million). The actuarial funding valuation report is not available for public inspection; however the results of valuations are advised to members.

The employer contribution rate to the defined benefit section of the RTÉ “50/50” Risk-Sharing Pension Scheme for the year ended 31 December 2018 was 8.75% of employee members’ remuneration (defined as pensionable salary and allowances up to the cap, currently €48,000 p.a.). The actuaries have also carried out a valuation in accordance with the MFS provisions of the *Pensions Act, 1990* and have reported a surplus on this basis of €10.9 million (1 January 2018: surplus €11.2 million).

As for the RTÉ Superannuation Scheme, Mercer prepares a report setting out the position of the RTÉ “50/50” Risk-Sharing Pension Scheme using the accounting valuation methodology specified in IAS 19 (2011). For this scheme, the difference between the asset and liability valuation at 31 December 2018 amounts to an asset of €3.0 million.

The Group expects to pay €1.4 million in contributions to the RTÉ “50/50” Risk-Sharing Pension Scheme (DB section) in 2019.

Both schemes carry the normal investment and funding risks associated with defined benefit schemes, and short-term volatility in their financial position can be expected. The regulatory risk is, however, limited, as there is no statutory requirement in Ireland for employers to maintain defined benefit plans in existence or to meet any funding shortfalls should they wind up in deficit.

### (iii) Net defined benefit asset

At 31 December 2018, the net defined benefit asset in relation to the two defined benefit arrangements is as follows:

<b>Group and RTÉ</b>	<b>2018</b>	<b>2017</b>
	<b>€'000</b>	<b>€'000</b>
Net pension asset in RTÉ Superannuation Scheme	<b>46,592</b>	48,097
Net pension asset in RTÉ “50/50” Risk-Sharing Pension Scheme	<b>2,964</b>	2,813
	<b>49,556</b>	50,910

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### Movement in net defined benefit asset/(liability)

#### RTÉ Superannuation Scheme

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset/(liability)	
	2018	2017	2018	2017	2018	2017
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	<b>(1,004,609)</b>	(1,016,346)	<b>1,052,706</b>	1,043,459	<b>48,097</b>	27,113
<b>Included in Income Statement</b>						
Current service cost	<b>(2,104)</b>	(3,257)	-	-	<b>(2,104)</b>	(3,257)
Past service cost	-	(5,694)	-	-	-	(5,694)
Interest (cost)/income	<b>(17,656)</b>	(16,907)	<b>18,536</b>	17,387	<b>880</b>	480
	<b>(19,760)</b>	(25,858)	<b>18,536</b>	17,387	<b>(1,224)</b>	(8,471)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	<b>24,161</b>	4,395	-	-	<b>24,161</b>	4,395
Experience	<b>2,288</b>	(9,135)	-	-	<b>2,288</b>	(9,135)
Return on plan assets excluding interest income	-	-	<b>(27,668)</b>	33,013	<b>(27,668)</b>	33,013
	<b>26,449</b>	(4,740)	<b>(27,668)</b>	33,013	<b>(1,219)</b>	28,273
<b>Other</b>						
Employer contributions	-	-	<b>938</b>	1,182	<b>938</b>	1,182
Employee contributions	<b>(784)</b>	(1,015)	<b>784</b>	1,015	-	-
Benefits paid	<b>47,304</b>	43,350	<b>(47,304)</b>	(43,350)	-	-
	<b>46,520</b>	42,335	<b>(45,582)</b>	(41,153)	<b>938</b>	1,182
<b>Balance at 31 December</b>	<b>(951,400)</b>	(1,004,609)	<b>997,992</b>	1,052,706	<b>46,592</b>	48,097

# Notes Forming Part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### RTÉ "50/50" Risk-Sharing Pension Scheme

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2018	2017	2018	2017	2018	2017
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January</b>	<b>(14,250)</b>	(12,122)	<b>17,063</b>	14,073	<b>2,813</b>	1,951
Included in Income Statement						
Current service cost	<b>(1,664)</b>	(1,634)	-	-	<b>(1,664)</b>	(1,634)
Interest (cost)/income	<b>(328)</b>	(255)	<b>416</b>	316	<b>88</b>	61
	<b>(1,992)</b>	(1,889)	<b>416</b>	316	<b>(1,576)</b>	(1,573)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	<b>988</b>	50	-	-	<b>988</b>	50
Experience	<b>448</b>	363	-	-	<b>448</b>	363
Return on plan assets excluding interest income	-	-	<b>(1,135)</b>	662	<b>(1,135)</b>	661
	<b>1,436</b>	413	<b>(1,135)</b>	662	<b>301</b>	1,074
<b>Other</b>						
Employer contributions	-	-	<b>1,426</b>	1,360	<b>1,426</b>	1,360
Employee contributions	<b>(757)</b>	(722)	<b>757</b>	722	-	-
Benefits paid	<b>58</b>	2	<b>(58)</b>	(2)	-	-
Insurance premium	<b>73</b>	68	<b>(73)</b>	(68)	-	-
	<b>(626)</b>	(652)	<b>2,052</b>	2,012	<b>1,426</b>	1,360
<b>Balance at 31 December</b>	<b>(15,432)</b>	(14,250)	<b>18,396</b>	17,063	<b>2,964</b>	2,812

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (iv) Scheme assets

The fair value of the assets at 31 December was:

	RTÉ Superannuation Scheme		RTÉ "50/50" Risk-Sharing Pension Scheme	
	2018 Fair value €'000	2017 Fair value €'000	2018 Fair value €'000	2017 Fair value €'000
Debt instruments:				
Government bonds	430,184	425,561	-	-
Corporate bonds	56,950	56,991	-	-
<b>Total debt instruments</b>	<b>487,134</b>	<b>482,552</b>	<b>-</b>	<b>-</b>
<b>Derivatives</b>	<b>5</b>	<b>95</b>	<b>-</b>	<b>-</b>
Investment funds:				
Equity	329,624	412,506	7,869	7,545
Bonds	-	-	9,462	8,447
Property	63,845	61,595	828	779
Hedge funds	53,501	50,142	-	-
Private equity	48,686	38,547	-	-
<b>Total investment funds</b>	<b>495,656</b>	<b>562,790</b>	<b>18,159</b>	<b>16,771</b>
Cash and cash equivalents:				
Cash	11,455	4,001	106	169
Other investment balances	3,742	4,248	131	123
<b>Total cash and cash equivalents</b>	<b>15,197</b>	<b>8,249</b>	<b>237</b>	<b>292</b>
<b>Total fair value of assets</b>	<b>997,992</b>	<b>1,053,686</b>	<b>18,396</b>	<b>17,063</b>

Equities are held as funds with underlying assets quoted in an active market. Debt instruments are held on a segregated basis (RTÉ Superannuation Scheme).

# Notes Forming Part of the Group Financial Statements (continued)

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (v) Defined benefit obligation

#### (i) Actuarial assumptions

Below are the major assumptions used for the purposes of the IAS 19 (2011) based accounting valuation of the pension schemes.

	RTÉ Superannuation Scheme		RTÉ "50/50" Risk-Sharing Pension Scheme	
	2018	2017	2018	2017
Average projected rate of increase in salaries:				
Over the next two years	<b>1.5%</b>	1.5%	<b>1.5%</b>	1.5%
Over the following two years	<b>1.5%</b>	1.5%	<b>1.5%</b>	1.5%
Thereafter	<b>1.5%</b>	1.5%	<b>1.5%</b>	1.5%
Average projected rate of increase in pensions:				
Over the next two years	<b>1.0%</b>	1.5%	<b>1.5%</b>	1.5%
Over the following two years	<b>1.25%</b>	1.5%	<b>1.5%</b>	1.5%
Thereafter	<b>1.5%</b>	1.5%	<b>1.5%</b>	1.5%
Discount rate	<b>1.9%</b>	1.8%	<b>2.5%</b>	2.3%
Inflation assumption	<b>1.5%</b>	1.5%	<b>1.5%</b>	1.5%
Mortality	<b>Years</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Life expectancy future retirees				
Male of age 65 (born 1964)	<b>25.2</b>	25.1	<b>25.2</b>	25.1
Female of age 65 (born 1964)	<b>27.3</b>	27.2	<b>27.3</b>	27.2
Life expectancy existing pensioners				
Male of age 65 (Born 1954)	<b>24.0</b>	23.9	<b>24.0</b>	23.9
Female of age 65 (Born 1954)	<b>26.1</b>	26.0	<b>26.1</b>	26.0

At 31 December 2018, the weighted average duration of the defined benefit obligations were:

RTÉ Superannuation Scheme: 13.1 years

RTÉ "50/50" Risk-Sharing Pension Scheme: 31.8 years

## 21. Retirement Benefit Obligations (Group and RTÉ) (continued)

### (ii) Sensitivity analysis

Consideration has been given to the impact on the defined benefit obligation of changes in the key underlying actuarial assumptions. The impact shown is as at the reporting date and in each case it is assumed that all other assumptions remain unchanged.

	RTÉ Superannuation Scheme		RTÉ "50/50" Risk-Sharing Pension Scheme	
	Assumption	Benefit obligation €000s	Assumption	Benefit obligation €000s
Discount rate				
<b>Current rate</b>	<b>1.9%</b>	<b>951,400</b>	<b>2.5%</b>	<b>15,432</b>
-0.25%	1.65%	982,896	2.25%	16,681
+0.25%	2.15%	921,678	2.75%	14,294
Salary & pension increases				
<b>Current assumption (long term)</b>	<b>1.5%</b>	<b>951,400</b>	<b>1.5%</b>	<b>15,432</b>
0.25% lower increases	1.25%	922,489	1.25%	14,296
0.25% higher increases	1.75%	981,701	1.75%	16,674
Mortality				
<b>Current assumption (offset from standard table)</b>	<b>-1 year</b>	<b>951,400</b>	<b>-1 year</b>	<b>15,432</b>
No offset	0 years	916,908	0 years	15,064
Two years offset	-2 years	986,184	-2 years	15,798

## 22. Deferred Tax

### Group

#### Recognised deferred tax assets and liabilities

	Assets Gross		(Liabilities) Gross	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Property, plant and equipment	-	-	(2,327)	(2,194)
Pension asset	-	-	(6,195)	(6,364)
Derivatives – cash flow hedge	13	37	-	-
Gross Tax Assets/(Liabilities)	13	37	(8,522)	(8,558)

#### Net deferred tax liability 2018

	Opening balance net €'000	Recognised in income €'000	Recognised in other comprehensive income €'000	Closing balance net €'000
Property, plant and equipment	(2,194)	(133)	-	(2,327)
Pension asset	(6,364)	-	169	(6,195)
Derivatives – cash flow hedge	37	-	(24)	13
Net Tax Assets/(Liabilities)	(8,521)	(133)	145	(8,509)

# Notes Forming Part of the Group Financial Statements (continued)

## 22. Deferred Tax (continued)

### Group

#### Net deferred tax liability 2017

	Opening balance net €'000	Recognised in income €'000	Recognised in other comprehensive income €'000	Closing balance net €'000
Property, plant and equipment	(1,794)	(400)	-	(2,194)
Pension asset	(3,633)	-	(2,731)	(6,364)
Derivatives – cash flow hedge	58	-	(21)	37
Net Tax Assets/(Liabilities)	(5,369)	(400)	(2,752)	(8,521)

### RTÉ

#### Recognised deferred tax assets and liabilities

	Assets Gross		(Liabilities) Gross	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Property, plant and equipment	<b>1,147</b>	1,203	-	-
Pension asset	-	-	<b>(6,195)</b>	(6,364)
Gross Tax Assets/(Liabilities)	<b>1,147</b>	1,203	<b>(6,195)</b>	(6,364)

#### Net deferred tax liability 2018

	Opening balance net €'000	Recognised in income €'000	Recognised in other comprehensive income €'000	Closing balance net €'000
Property, plant and equipment	1,203	(56)	-	<b>1,147</b>
Pension asset	(6,364)	-	169	<b>(6,195)</b>
Net Tax Assets/(Liabilities)	(5,161)	(56)	169	<b>(5,048)</b>

## 22. Deferred Tax (continued)

RTÉ

Net deferred tax liability 2017

	Opening balance Net €'000	Recognised in income €'000	Recognised in other comprehensive income €'000	Closing balance Net €'000
Property, plant and equipment	1,275	(72)	-	1,203
Pension asset	(3,633)	-	(2,731)	(6,364)
Net Tax Assets/(Liabilities)	(2,358)	(72)	(2,731)	(5,161)

### Unrecognised deferred tax assets (Group and RTÉ)

Television licence fee income that RTÉ receives by way of “grant-in-aid” is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €658 million at 31 December 2018. Due to the uncertainty surrounding when the losses may ultimately be utilised, no deferred tax asset has been recognised.

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ)

### (a) Overview of financial risk management

#### (i) Risk environment

The Group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk.

The Board of RTÉ has overall responsibility for the establishment and oversight of the Group's risk-management framework and has approved policies for the main areas of financial risk faced by the Group. Group Treasury is responsible for managing all treasury activities, in accordance with the treasury policies, including cash management, interest rate risk, liquidity risk, foreign exchange risk and counterparty credit risk.

The majority of RTÉ's business is transacted in Ireland. Consequently, operating and investing cash flows are substantially denominated in euro. Foreign currency exposures arise primarily from payments for acquired programmes in US dollar and sterling. RTÉ's policy is to have the majority of its committed principal foreign currency exposures commercially hedged at the beginning of each financial year by entering into US dollar and sterling forward contracts. All foreign currency forward contracts have a maturity date of less than 18 months from the 31 December 2018. These foreign currency forward contracts are not specifically designated into hedge relationships from an accounting perspective, but are nevertheless valid economic hedges.

2m refinanced variable rate borrowings in 2014 and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate in 2016. The Group designated the financial instrument as a cash flow hedge pursuant to *IAS 39 Financial Instruments: Recognition and Measurement*.

Financial instruments are derecognised on settlement or sale.

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (ii) Financial instruments classification

All financial assets and liabilities, excluding provisions and employee-related liabilities, are financial instruments carried at amortised cost, with the exception of the derivative assets/(liabilities), which are categorised as follows:

GROUP	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	-	12	-	-	-	-	-	12
<b>Total Non-Current Financial Assets</b>	-	12	-	-	-	-	-	12
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	41,881	39,494	41,881	39,494
Accrued income	-	-	-	-	2,889	3,417	2,889	3,417
Liquid investments	-	-	-	-	-	36,993	-	36,993
Cash and cash equivalents	-	-	-	-	66,961	70,126	66,961	70,126
Derivative financial instruments	516	-	-	-	-	-	516	-
<b>Total Current Financial Assets</b>	<b>516</b>	-	-	-	<b>111,731</b>	150,030	<b>112,247</b>	150,030
<b>Total Financial Assets</b>	<b>516</b>	12	-	-	<b>111,731</b>	150,030	<b>112,247</b>	150,042
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	-	(45,000)	-	(45,000)
Employee benefits	-	-	-	-	(12,941)	(5,878)	(12,941)	(5,878)
Capital grants	-	-	-	-	(7,925)	(7,946)	(7,925)	(7,946)
Trade and other payables	-	-	-	-	(4,617)	(3,858)	(4,617)	(3,858)
Derivative financial instruments	(11)	-	-	(85)	-	-	(11)	(85)
<b>Total Non-Current Financial Liabilities</b>	<b>(11)</b>	-	-	(85)	<b>(25,483)</b>	(62,682)	<b>(25,494)</b>	(62,767)
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(80,006)	(80,208)	(80,006)	(80,208)
Interest-bearing loans and borrowings	-	-	-	-	(50,000)	(4,500)	(50,000)	(4,500)
Employee benefits	-	-	-	-	(12,538)	(24,328)	(12,538)	(24,328)
Capital grants	-	-	-	-	(21)	(22)	(21)	(22)
Derivative financial instruments	-	-	(104)	(805)	-	-	(104)	(805)
<b>Total Current Financial Liabilities</b>	-	-	<b>(104)</b>	(805)	<b>(142,565)</b>	(109,058)	<b>(142,669)</b>	(109,863)
<b>Total Financial Liabilities</b>	<b>(11)</b>	-	<b>(104)</b>	(890)	<b>(168,048)</b>	(171,740)	<b>(168,163)</b>	(172,630)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

RTÉ	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	-	12	-	-	-	-	-	12
<b>Total Non-Current Financial Assets</b>	-	12	-	-	-	-	-	12
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	35,921	34,969	35,921	34,969
Accrued income	-	-	-	-	400	448	400	448
Liquid investments	-	-	-	-	-	36,993	-	36,993
Cash and cash equivalents	-	-	-	-	60,381	59,008	60,381	59,008
Derivative financial instruments	516	-	-	-	-	-	516	-
<b>Total Current Financial Assets</b>	<b>516</b>	-	-	-	<b>96,702</b>	131,418	<b>97,218</b>	131,418
<b>Total Financial Assets</b>	<b>516</b>	12	-	-	<b>96,702</b>	131,418	<b>97,218</b>	131,430
<b>Non-Current Financial Liabilities</b>								
Employee benefits	-	-	-	-	(12,723)	(5,636)	(12,723)	(5,636)
Trade and other payables	-	-	-	-	(4,617)	(3,858)	(4,617)	(3,858)
Derivative financial instruments	(11)	-	-	-	-	-	(11)	-
<b>Total Non-Current Financial Liabilities</b>	<b>(11)</b>	-	-	-	<b>(17,340)</b>	(9,494)	<b>(17,351)</b>	(9,494)
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(238,650)	(234,731)	(238,650)	(234,731)
Interest-bearing loans and borrowings	-	-	-	-	(5,000)	-	(5,000)	-
Employee benefits	-	-	-	-	(12,464)	(24,246)	(12,464)	(24,246)
Derivative financial instruments	-	(591)	-	-	-	-	-	(591)
<b>Total Current Financial Liabilities</b>	-	(591)	-	-	<b>(256,114)</b>	(258,977)	<b>(256,114)</b>	(259,568)
<b>Total Financial Liabilities</b>	<b>(11)</b>	(591)	-	-	<b>(273,454)</b>	(268,471)	<b>(273,465)</b>	(269,062)

The foreign exchange forward contracts are financial instruments measured at fair value through the surplus or deficit. The interest rate swap is a derivative designated as a cash flow hedge.

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (b) Credit risk

#### Overview

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group carrying amount		RTÉ carrying amount	
		2018	2017	2018	2017
		€'000	€'000	€'000	€'000
Trade receivables	12	<b>41,565</b>	39,438	<b>35,605</b>	34,913
Liquid investments	13	-	36,993	-	36,993
Cash and cash equivalents	14	<b>66,961</b>	70,126	<b>60,381</b>	59,008
Accrued income		<b>2,889</b>	3,417	<b>400</b>	448
Derivative financial instruments		<b>516</b>	12	<b>516</b>	12
		<b>111,931</b>	149,986	<b>96,902</b>	131,374

The Group has detailed procedures for monitoring and managing the credit risk related to its financial assets as outlined below.

#### Treasury-related credit risk

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets.

Liquid investments, cash and cash equivalents, and derivative financial instruments are all held by financial counterparties which have a minimum credit rating of BBB- under the Standard & Poor's rating.

Liquid investments and cash and cash equivalents are primarily funds invested with Irish financial institutions with limits on amounts held with individual banks or institutions at any one time. Derivative financial instruments are held with Irish and UK financial institutions and the Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

#### Customer credit risk

The Group has credit insurance and sets credit limits for all customers. Given the nature of the advertising and other markets within which RTÉ operates, RTÉ had significant exposures to individual advertising agencies and other customers throughout the year. RTÉ's policy is to assign limits to the aggregate amount of exposure to each individual customer. These exposures and the related limits are subject to ongoing review and monitoring.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group carrying amount		RTÉ carrying amount	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Ireland	<b>38,870</b>	37,946	<b>34,007</b>	33,641
United Kingdom	<b>2,357</b>	1,428	<b>1,235</b>	1,142
Other regions	<b>338</b>	64	<b>363</b>	131
Trade Receivables	<b>41,565</b>	39,438	<b>35,605</b>	34,913

### 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Group carrying amount		RTÉ carrying amount	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
Non-agency debtors	<b>14,269</b>	10,902	<b>8,753</b>	7,161
Other debtors – agency	<b>27,296</b>	28,536	<b>26,852</b>	27,752
Trade Receivables	<b>41,565</b>	39,438	<b>35,605</b>	34,913

An agency debtor represents an advertising agent or agency, being a person, firm or company, which selects or books advertising space on behalf of the advertiser.

The Group's most significant debtor, an Irish company, accounts for €3.3 million (8%) of the trade receivables carrying amount at 31 December 2018 (2017: €3.0 million).

The ageing of trade receivables at the reporting date was:

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2018	2018	2018	2018	2018	2018
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	<b>21,875</b>	-	<b>21,875</b>	<b>18,890</b>	-	<b>18,890</b>
Past due 0–30 days	<b>17,921</b>	<b>(644)</b>	<b>17,277</b>	<b>15,097</b>	<b>(277)</b>	<b>14,820</b>
Past due 31–120 days	<b>1,691</b>	<b>(372)</b>	<b>1,319</b>	<b>1,475</b>	<b>(235)</b>	<b>1,240</b>
Greater than 120 days	<b>1,513</b>	<b>(419)</b>	<b>1,094</b>	<b>986</b>	<b>(330)</b>	<b>656</b>
	<b>43,000</b>	<b>(1,435)</b>	<b>41,565</b>	<b>36,447</b>	<b>(842)</b>	<b>35,605</b>

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2017	2017	2017	2017	2017	2017
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	20,472	-	20,472	18,529	-	18,529
Past due 0–30 days	16,885	(340)	16,545	14,459	(112)	14,347
Past due 31–120 days	2,809	(801)	2,008	2,098	(252)	1,846
Greater than 120 days	689	(276)	413	328	(137)	191
	40,855	(1,417)	39,438	35,414	(501)	34,913

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was:

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Balance at 1 January	1,417	1,220	501	301
(Released)/provided during the year	193	200	404	200
Bad debts written off in the year	(175)	(3)	(63)	-
Balance at 31 December	1,435	1,417	842	501

No credit exposure is perceived in relation to prepayments. Accrued income consists of unbilled receivables from a small number of customers. The Group has not experienced losses due to the failure of any of these customers to deliver on their obligations.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. RTÉ's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables set out the contractual maturities of financial liabilities, including interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments.

The following are the contractual maturities of financial liabilities:

31-Dec-18 Group	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	50,000	50,407	50,407	-	-	-
Derivative financial instruments	115	115	115	-	-	-
Trade and other payables	84,622	84,622	80,005	4,617	-	-
Employee benefits	25,480	25,541	12,538	7,631	1,029	4,342
	160,217	160,685	143,065	12,248	1,029	4,342

31-Dec-17 Group	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	49,500	50,806	5,370	45,436	-	-
Derivative financial instruments	890	890	802	88	-	-
Trade and other payables	84,066	84,066	80,208	3,858	-	-
Employee benefits	30,207	30,344	24,328	550	1,474	3,992
	164,663	166,106	110,708	49,932	1,474	3,992

### 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The following are the contractual maturities of financial liabilities (excluding inter-company liabilities):

<b>31-Dec-18</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<b>RTÉ</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Interest-bearing loans and borrowings	5,000	5,000	5,000	-	-	-
Derivative financial instruments	11	11	11	-	-	-
Trade and other payables	243,267	243,267	238,650	4,617	-	-
Employee benefits	25,185	25,541	12,462	7,622	1,001	4,157
	<b>273,463</b>	<b>273,819</b>	<b>256,199</b>	<b>12,248</b>	<b>1,001</b>	<b>4,157</b>

<b>31-Dec-17</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<b>RTÉ</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Interest-bearing loans and borrowings	-	-	-	-	-	-
Derivative financial instruments	591	591	591	-	-	-
Trade and other payables	238,589	238,589	234,731	3,858	-	-
Employee benefits	29,882	30,083	24,246	549	1,474	3,814
	<b>269,062</b>	<b>269,263</b>	<b>259,568</b>	<b>4,407</b>	<b>1,474</b>	<b>3,814</b>

As disclosed in note 15, the Group has a revolving credit facility with Bank of Ireland and a project loan and term loan facility with Barclays Bank PLC. Both of these facilities have loan covenants which, if breached in the future, may require the Group, or company, to repay the loans earlier than indicated in the above tables. The interest payments in the tables above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for the interest-bearing loans and borrowings, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier or at significantly different amounts.

At 31 December 2018, RTÉ had an undrawn overdraft facility of €10 million in place and an undrawn revolving credit facility of €10 million.

#### (d) Currency risk

The functional currency of all Group entities is euro. Due to the nature of certain aspects of its business, in particular acquired television programmes and rights from overseas, RTÉ is exposed to the effects of fluctuations in foreign currency exchange rates. The currencies that give rise to this risk are US dollar and sterling.

The Group and RTÉ primarily use foreign currency forward contracts to economically hedge its currency risk. Changes in the fair value of foreign currency forward contracts are recognised in the Income Statement. At 31 December 2018, the fair value of the associated derivative asset was €516,000 (2017: asset of €12,000).

The Group and RTÉ hedge a minimum of 60% of its budgeted foreign currency exposure in respect of acquired television programmes and rights from overseas.

The Group and Company did not have any material foreign currency denominated monetary assets at 31 December 2018 or 2017.

RTÉ had no financial liabilities denominated in foreign currencies except for those outlined in the following tables.

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### Breakdown of trade payables by currency

	2018 €'000	2017 €'000
<b>Group</b>		
Euro	<b>3,235</b>	8,512
GBP	<b>896</b>	629
USD	<b>10</b>	113
Other	<b>9</b>	21
	<b>4,150</b>	9,275

### Breakdown of trade payables by currency

	2018 €'000	2017 €'000
<b>RTÉ</b>		
Euro	<b>2,417</b>	6,668
GBP	<b>886</b>	577
USD	<b>10</b>	113
Other	<b>5</b>	21
	<b>3,318</b>	7,379

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2018	2017	2018	2017
EUR €1 = USD \$	<b>1.1810</b>	1.1297	<b>1.1450</b>	1.1993
EUR €1 = GBP £	<b>0.8847</b>	0.8767	<b>0.8945</b>	0.8872

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Foreign currency forward purchase contracts are used by the Group to reduce volatility arising from these foreign currency exposures. As a result, the Group mitigates significant risk of movements in foreign exchange rates.

#### Group

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2018, would impact the Group's Income Statement positively or negatively by up to €101,731 (31 December 2017: €84,759).

#### RTÉ

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2018, would impact RTÉ's Income Statement positively or negatively by up to €100,153 (31 December 2017: €78,974).

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (e) Interest rate risk

At 31 December 2018, the Group had total borrowings of €50.0 million (2017: €49.5 million).

On 28 January 2016, RTÉ entered into a revolving credit facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2018 €5 million (2017: nil) had been drawn down. The borrowing is a variable rate facility with a maturity in 2021.

On 18 June 2014, 2rn refinanced its project loan facility with Barclays amounting to €40 million, plus an additional term loan facility of €13 million. During 2015, an interest rate swap was entered into in respect of the €40 million project loan facility until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge; consequently, any changes in the interest rate would have an equal and opposite Income Statement effect for both the interest rate swap and the debt for the period.

A 1% movement in the interest rate would have a positive or negative effect on equity of €0.6 million and €0.7 million on the Income Statement.

At the reporting date, the interest rate profile of RTÉ's interest-bearing financial assets was:

Group	Carrying amount	
	2018 €'000	2017 €'000
<b>Fixed Rate Instruments</b>		
Financial assets	29,000	36,993
<b>Variable Rate Instruments</b>		
Financial assets	37,961	70,126
<b>RTÉ</b>		
<b>Fixed Rate Instruments</b>		
Financial assets	29,000	36,993
<b>Variable Rate Instruments</b>		
Financial assets	31,381	59,008

A 1% movement in the interest rate on RTÉ's interest-bearing financial assets would have a positive or negative effect on the Income Statement of €0.6 million (net of tax).

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

### (f) Fair values

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group <sup>1</sup>	Carrying amount	Fair value level 2	Carrying amount	Fair value level 2
	2018	2018	2017	2017
	€million	€million	€million	€million
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	0.5	0.5	-	-
<b>Financial liabilities measured at fair value</b>				
Interest rate swap	(0.1)	(0.1)	(0.3)	(0.3)
Forward exchange contracts	-	-	(0.6)	(0.6)
<b>Financial liabilities not measured at fair value</b>				
Interest-bearing loans and borrowings	49.5	49.5	49.5	49.5
<b>RTÉ<sup>1</sup></b>				
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	0.5	0.5	-	-
<b>Financial liabilities measured at fair value</b>				
Forward exchange contracts	-	-	(0.6)	(0.6)
<b>Financial liabilities not measured at fair value</b>				
Interest-bearing loans and borrowings	-	-	-	-

<sup>1</sup> The Group and RTÉ have not disclosed the fair values for financial instruments such as trade receivables, payables and employee benefits as their carrying amounts disclosed on page 136 and 137 are a reasonable approximation of fair values.

The fair value of derivative financial instruments was based on the fair value hierarchy. The fair value for foreign exchange forward contracts and the interest rate swap were calculated using the following valuation method:

Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Level 2 valuation method and instruments valued using the method has not changed during this or the previous reporting period. There has been no transfer between levels in the fair value hierarchy.

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments	Market comparison technique: the fair values are based on quotes for similar contracts traded in an active market.	Not applicable	Not applicable

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Interest-bearing loans and borrowings	Discounted cash flows based on borrower quoted interest rates.	Not applicable

### (g) Derivative financial instruments

The contractual cash flows associated with the derivative financial instruments are outlined below:

31-Dec-18	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(104)	(104)	(104)	-	-
Foreign exchange forward contracts (outflows)	516	516	516	-	-
	<b>(412)</b>	<b>(412)</b>	<b>(412)</b>	-	-
<b>RTÉ</b>					
<b>Derivative assets</b>					
Foreign exchange forward contracts (outflows)	516	516	516	-	-

# Notes Forming Part of the Group Financial Statements (continued)

## 23. Financial Instruments and Financial Risk Management (Group and RTÉ) (continued)

31-Dec-17	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(298)	(298)	(213)	(85)	-
Foreign exchange forward contracts (outflows)	(580)	(580)	(580)	-	-
	(878)	(878)	(793)	(85)	-
<b>RTÉ</b>					
<b>Derivative assets/(liabilities)</b>					
Foreign exchange forward contracts (outflows)	(580)	(580)	(580)	-	-

Any gains or losses arising from changes in the fair value of foreign exchange forward contracts are taken directly to the Income Statement.

At 31 December 2018, the Group had total borrowings of €50.0 million (2017: €49.50 million). The Group entered an interest rate swap on a €40 million facility to fix the variable rate on the 2014 borrowings until maturity. At the inception of the hedge, the Group formally designated the hedge relationship and consequently the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income.

## 24. Financial Commitments, Contingencies and Guarantees

### (a) Capital commitments

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Contracted but not provided for	<b>1,724</b>	2,952	<b>771</b>	1,848
Authorised but not contracted for	<b>1,205</b>	1,523	<b>586</b>	1,523
	<b>2,929</b>	4,475	<b>1,357</b>	3,371

### (b) Programme/rights purchase commitments

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Contracted but not provided for	<b>122,105</b>	123,391	<b>122,105</b>	123,391

## 24. Financial Commitments, Contingencies and Guarantees (continued)

### (c) Contingent liabilities

Due to the nature of its operations, the Group is involved in various legal actions with third parties which have arisen in the normal course of the business. While it is not practicable to quantify accurately the potential liability under the various actions, the Board is satisfied that it has made reasonable provision for the likely outcome of these actions.

### (d) Guarantees

At 31 December 2018, RTÉ had entered into guarantee facilities amounting to €15.6 million which expire on 31 July 2021.

### (e) Digital television services Northern Ireland

RTÉ has entered into a joint venture with TG4 for the provision of digital television services in Northern Ireland and, under this agreement, RTÉ has a funding commitment that expires in October 2024. The remaining commitment at 31 December 2018 is €3.0 million.

### (f) Operating lease commitments

Annual commitments under operating leases, principally in respect of leased premises, on leases expiring:

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Between two and five years	267	294	177	214
After five years	258	248	55	55
	<b>525</b>	542	<b>232</b>	269

## 25. Grants

### (a) Capital Grants

	Group		RTÉ	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Grants received re 700 MHz project	7,968	7,976	-	-
Released to Income Statement	(22)	(8)	-	-
	<b>7,946</b>	7,968	-	-
<b>Analysed as follows:</b>				
Non-current liabilities	7,925	7,946	-	-
Current liabilities	21	22	-	-
	<b>7,946</b>	7,968	-	-

In 2017, the DCCAIE issued a capital grant to RTÉ's subsidiary, RTÉ Transmission Network DAC, to facilitate the clearing of the Spectrum 700 MHz frequency band, as stipulated by EU directives. The movement in the grant during the year is in line with the Group's accounting policy.

### (b) Other Grants

During the year Science Foundation Ireland (SFI) awarded a grant of €585,000 to RTÉ for the purpose of making science-related programming, of which €515,000 was received during the year. A grant of €585,000 was awarded under the same initiative in 2017 and RTÉ received the grant in full during 2017.

RTÉ was also awarded grants of €1,273,853 (2017: €215,900) from the BAI Sound & Vision and Archiving Schemes in respect of programme funding and digitising the archive library. During the year RTÉ received €287,988 (2017: €180,648) in relating to grants awarded.

RTÉ was awarded a grant of €150,000 from the Creative Ireland Programme in 2018 (2017: nil) of which €100,000 was received, as a contribution towards the making of television programming.

# Notes Forming Part of the Group Financial Statements (continued)

## 26. Related Party Transactions

### (a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, established as a public-service broadcasting corporation under the *Broadcasting Authority Act, 1960*. The members of the RTÉ Board are appointed by the Government. The Government is deemed to have control over the Group and is recognised as a related party as defined by the accounting standards. The Group has applied the exemption in IAS 24 *Related Party Disclosures* that exempts an entity from the related party disclosure requirements in respect of the Government and Government-related entities unless transactions are individually significant or collectively significant.

In the normal course of business, the Group has entered into transactions with the Government and Government-related entities involving the provision of advertising and other similar services, together with purchases of goods and services to/from Government departments and to entities controlled by the Irish Government. An Post collects the television licence fee on behalf of the Department of Communications, Climate Action and Environment.

At 31 December 2018, the total payable to RTÉ subsidiary undertakings was €167.1 million (2017: €164.0 million).

### (b) Transactions with key management personnel<sup>1</sup>

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the term “key management personnel” (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the RTÉ Board, the Director-General, the RTÉ Executive and the corporate functions reporting directly to the Director-General. The total amount of compensation paid to key management personnel in 2018 was €4.5 million (2017: €4.7 million), comprising salaries and other short-term employee benefits of €3.4 million (2017: €3.6 million), post-employment pension benefits of €0.5 million (2017: €0.4 million) and termination benefits €0.6 million (2017: €0.7 million).

Purchases by RTÉ from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2018 amounted to €1.1 million (2017: €1.4 million), primarily in respect of commissioned programmes. Sales by RTÉ to a company owned/controlled by Board members, other key management personnel and/or their close family members in 2018 amounted to €0.2 million (2017: €0.2 million). Outstanding contractual commitments from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2018 amounted to €0.2 million (2017: €0.03 million). There were no material amounts outstanding at either year end.

Programme contributions paid by RTÉ to Board members, other key management personnel and their close family members in 2018 amounted to nil (2017: nil).

### *Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions.

<sup>1</sup> Related parties include key management personnel, their immediate families and external entities controlled by them.

## 27. Subsequent Events

In January 2019, the Group concluded the refinancing of the Barclays facility. A new 7 year club facility of €60 million from Barclays and Bank of Ireland was agreed.

## 28. Board Approval

The Board of RTÉ approved the financial statements on pages 94 to 148 in respect of the year ended 31 December 2018 on 25 April 2019.

# Appendix to the Group Financial Statements – Accounting Policies

## 1. Basis of Accounting

Below we set out the full list of our accounting policies. The accounting policies have been applied consistently in dealing with items that are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined below.

### (a) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2018 comprise the statutory corporation and all entities controlled by it (together referred to as the “Group”).

### (b) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended 31 December 2018 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the *Companies Act 2014* in so far as it provides additional information. Accordingly, RTÉ’s parent Statement of Financial Position, Cash Flow Statement and Statement of Changes in Equity have also been presented with the consolidated financial statements as would ordinarily be required by the *Companies Act 2014*. RTÉ’s Group Income Statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (c) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in euro, rounded to the nearest thousand (€000), which is the functional currency of all the Group entities.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas involving significant judgement or complexity or areas where assumptions and estimates are significant to the Group’s financial statements relate primarily to the valuation of the defined benefit pension scheme and financial instruments and are documented in the relevant accounting policies and in the related notes.

### (d) Adoption of new and revised standards

During the year, the Group adopted the following new accounting standards, none of which had a significant impact on the result or net assets of the Group.

#### IFRS 9 *Financial Instruments*

From 1 January 2018, the Group has applied IFRS 9 *Financial Instruments* and the related consequential amendments to other IFRSs. IFRS 9 *Financial Instruments* replaced the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. There is no material impact on the Group in relation to the adoption of this standard.

In line with the transition guidance in IFRS 9 the Group has not restated the 2017 prior period on adoption. The application of the IFRS 9 hedge accounting requirements has had no other impact on the results and financial position of the Group for the current or prior years.

There were no financial assets or financial liabilities which the Group had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Group has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Group has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The application of IFRS 9 has had no impact on the consolidated cash flows of the Group.

#### IFRS 15 *Revenue from Contracts with Customers*

From 1 January 2018, the Group has adopted IFRS 15 *Revenue from Contracts with Customers*. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The Group has adopted the five-step approach to the timing of revenue recognition based on performance obligations in customer contracts.

Licence Fee receipts are accounted for in line with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* and therefore are not accounted for in line with IFRS 15. The other revenue streams, outlined in note 2, are all accounted for in line with IFRS 15.

The Group has continued to use the terminology, accrued revenue and deferred revenue and deferred income as is allowed by IFRS 15.

The Group’s accounting policies for its revenue streams are disclosed in detail further on in this note. Apart from providing more extensive disclosures for the Group’s revenue transactions, including the separate disclosure of accrued revenue from trade receivables, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

# Appendix to the Group Financial Statements – Accounting Policies (continued)

## (e) Standards in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective and therefore have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early; instead it will apply them from their effective dates as determined by their dates of EU endorsement. These include:

• IFRS 3 (Amendment) Definition of a Business	1 January 2020
• IFRS 9 (Amendment) Prepayment Features with Negative Compensation	1 January 2019
• IFRS 16 Leases	1 January 2019
• IFRS 17 Insurance Contracts	1 January 2021
• IAS 1 (Amendment) Definition of Material	1 January 2020
• IAS 8 (Amendment) Definition of Material	1 January 2020
• IAS 19 (Amendment) Plan Amendment, Curtailment or Settlement	1 January 2019
• IAS 28 (Amendment) Long-term Interests in Associates and Joint Arrangements	1 January 2019
• Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendment)	1 January 2019
• IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
• Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods, except in relation to IFRS 16.

## IFRS 16

IFRS 16, which was endorsed by the EU on 9 November 2017, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 January 2019. The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16. Consequently, the Group will not restate the comparative information.

The Group will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group. IFRS 16 will change how the Group accounts for leases previously

classified as operating leases under IAS 17, which were off-balance sheet.

Under IFRS 16, right of use assets will be tested for impairment in accordance with IAS 36 *Impairment of Assets*. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short term leases (lease term of 12 months or less) and leases of low value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight line basis as permitted by IFRS 16. As at 31 December 2018, the Group has non cancellable operating lease commitments as outlined in note 24.

A preliminary assessment indicates that an estimated €3.5m of these arrangements relate to leases other than short term leases and leases of low value assets, and hence the Group will recognise a right of use asset and a corresponding lease liability in respect of all these leases as at 1 January 2019. Annual payments of €0.6m currently reported as operating costs in the income statement will become depreciation and finance costs. The net effect on the Group result on an annual basis will be minimal.

## 2. Revenue Recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from licence fees; advertising sales; sponsorship; the use of the Group's facilities and transmission network; circulation and events income; and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

IFRS 15 applies to all the Group's revenue streams apart from licence fee revenue which is accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The other revenue streams, as outlined below, are recognised upon transfer of the promised services or goods to the customers. The Group has adopted the five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. This involves identifying the contract with customers, identifying the performance obligations, determining the transaction price, allocating the price to the performance obligations within the contract and recognising revenue when the performance obligations are satisfied.

### (a) Licence fee revenue

The Department of Communications, Climate Action and Environment (DCCA) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to the DCCA, net of collection costs. In addition, licence fee revenue is payable by the Department of Employment Affairs and Social Protection (DEASP) on behalf of individuals eligible for a "free" television licence. This revenue has been subject to a cap since 2011 and is paid monthly by the DEASP to the DCCA.

The DCCA makes a non-repayable "grant-in-aid" to RTÉ from these licence fees collected, as provided in Section 123 of the *Broadcasting Act 2009* as amended by section 69 of the *Communications Regulation (Postal Services) Act 2011*. This equates to the amounts

paid to it by the DEASP, together with the amounts collected by An Post, net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Climate Action and Environment.

Licence fee revenue payable by the DEASP is recognised upon receipt. All other licence fee income is recognised upon notification by An Post of the number of licences sold in the period.

**(b) Advertising and sponsorship income**

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication, etc.

**(c) Transmission and facilities income**

Transmission and facilities income arise from the use of and access to the Group's transmission, distribution and multiplexing network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

**(d) Circulation and events income**

Circulation income arises from the publication and circulation of the *RTÉ Guide* and is stated net of fees due to the distributor and end-retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Orchestras. It is recognised as the events are held and amounts fall due.

**(e) Content, merchandising and related income**

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

**3. Segment reporting**

Segmental analysis, prepared in accordance with IFRS 8 *Operating segments*, is set out in note 2(d). RTÉ's primary reporting segments are its divisions. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial division. 2rn revenues are reported in the Network division. Archive and library sales revenues are reported in the Content division. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. The reporting of licence fee revenue within each division is a function of the licence fee attributed to each individual channel and service.

Costs directly incurred by and for a division are reported within that division. An appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost to inter-divisional and central shared services consumed by those divisions. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred primarily for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Content and News & Current Affairs divisions as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels, these costs are not apportioned to the online services where further opportunities to access the content are provided. Where direct costs are incurred in the acquisition of online rights, the repurposing of content or the creation of content primarily for online, these are charged to online services. RTÉ is increasing its non-linear output with more programmes getting first transmission on digital platforms and a move towards a digital-first approach in news coverage. Reflecting this digital-first strategy, online services are allocated an appropriate proportion of the cost of common news-gathering infrastructure. Where content is sourced both for inclusion in broadcast programmes and used directly in online services, the cost of sourcing such content is allocated in line with the cost allocation principles set out above.

**4. Programme Inventories**

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs, including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third-party studios and broadcasters. Costs for acquired programme inventories are defined as the third-party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features:	75% on first transmission
	25% on second transmission
Series:	99% on first transmission
	1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sport rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

# Appendix to the Group Financial Statements – Accounting Policies (continued)

## 5. Foreign Currency Transactions

Transactions denominated in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

## 6. Property, Plant and Equipment

### (a) Recognition and measurement

Property, plant and equipment is shown at historical cost, net of accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repairs and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Stocks of minor spare parts are stated at the lower of cost and net realisable value and are included in Capital projects in progress.

### (b) Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land and spare parts, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The principal rates used are as follows:

Buildings	2.5%	-	25%
Plant & equipment	7.5%	-	20%
Fixtures & fittings	10%	-	25%

Capital projects in progress represent the cost of purchasing and installing property, plant and equipment ahead of their commission into use. Depreciation is charged on assets from the date of commissioning.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

### (c) Impairment

In accordance with IAS 36 *Impairment of Assets*, the carrying amount of items of buildings and plant and equipment are reviewed at each year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 7. Intangible Assets

### (a) Recognition and measurement

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Group's intangible assets are entirely software-related in nature.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

### (b) Amortisation

Intangible assets, with finite useful economic lives, are amortised to the Income Statement on a straight-line basis over their estimated useful lives from the date they are available for use. In the case of computer software, the useful economic lives are generally three to five years.

### (c) Impairment

In accordance with IAS 36 *Impairment of Assets* the carrying amount of intangible assets are reviewed at each year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values are not recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

## 8. Financial Instruments

### (a) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables (excluding prepayments), liquid investments, cash and cash equivalents, restricted cash, loans and borrowings, accrued income, employee benefits and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

#### **Investments in subsidiaries**

RTÉ's investments in subsidiary companies in its Statement of Financial Position are recognised at cost, less impairment losses.

#### **Trade and other receivables**

Trade and other receivables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets. Trade receivables are carried at original invoice amount less any impairment for potentially unrecoverable amounts. Impairment is recognised if there is objective evidence after initial recognition that a balance may not be recoverable in full or in part.

#### **Liquid investments**

Liquid investments comprise short-term deposits that have a maturity date of greater than three months from the date of acquisition but less than 12 months from the year end date. Given that the maturity of these investments falls outside the timeframe for classification as cash and cash equivalents under IAS 7 *Cash Flow Statements*, the related balances are treated as financial assets and are stated at fair value at inception and carried at amortised cost thereafter. Income on these assets is recognised on an effective interest rate basis.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise bank balances and call deposits that are readily convertible to known amounts of cash at or close to their carrying values and are subject to an insignificant risk of changes in value. Where call deposits are classified as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Income on these assets is recognised on an effective interest rate basis.

#### **Loans and borrowings**

Interest-bearing loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, variable rate borrowings are measured at amortised cost using the effective interest rate methodology.

#### **Trade and other payables**

Trade and other payables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets.

#### **(b) Derivative financial instruments**

The Group is exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The Group has entered an interest rate swap to manage the exposure to the interest rate fluctuations on its borrowings. Foreign currency forward contracts are used to manage the Group's exposure to fluctuations in US dollar and sterling for forecasted transactions. The Group does not enter into speculative derivative contracts.

The fair value of the interest rate swap is determined by discounting the projected cash flows on the swap arrangement to present value using an appropriate market rate of interest. The fair value of foreign currency forward contracts is determined based on the present value of the quoted forward price.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured to fair value at each reporting date. The Group categorises derivative financial instruments as financial assets or liabilities at fair value through surplus or deficit or as cash flow hedges. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Income Statement, except for the effective portion of cash flow hedges, which are recognised in the Statement of Comprehensive Income (as described below).

#### **Cash flow hedges**

At the inception of a cash flow hedge, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk-management objective and strategy for undertaking the hedge.

Where a derivative financial instrument is designated as a cash flow hedge of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. The ineffective part of any gain or loss is recognised in the Income Statement immediately. The amount accumulated in equity is reclassified to the Income Statement in the same period that the hedged item affects surplus or deficit.

If the hedging instrument no longer meets the criteria for hedge accounting or the designation is revoked, the hedge accounting is discontinued prospectively.

## **9. Employee Benefits**

### **(a) Retirement benefit obligations**

The Group, through the RTÉ Superannuation Scheme, the RTÉ Defined Contribution Pension Scheme, the RTÉ "50/50" Risk-Sharing Pension Scheme (a hybrid scheme that has both defined benefit and defined contribution elements) and other defined contribution schemes, makes pension contributions for a substantial number of employees.

In relation to the defined contribution schemes and the defined contribution element of the RTÉ "50/50" Risk-Sharing Pension Scheme, contributions are accrued and recognised in the Income Statement in the period in which they are earned by the relevant employees.

For the RTÉ Superannuation Scheme, a funded contributory defined benefit scheme, and the defined benefit element of the RTÉ "50/50" Risk-Sharing Pension Scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the Statement of

# Appendix to the Group Financial Statements – Accounting Policies (continued)

Financial Position. The amount charged to the Income Statement is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The Group determines the net interest expense/(income) by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, on the net defined benefit liability/(asset) at the start of the period, taking into account changes during the period as a result of contributions and benefit payments. The net interest expense/(income) is shown as a financing item in the Income Statement. Remeasurements of the net defined benefit liability, returns on plan assets and the effect of the asset ceiling are recognised immediately in the Statement of Comprehensive Income.

When the benefits of a plan are changed, the resulting change in the benefit that relates to past service is recognised immediately in the Income Statement.

## **(b) Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

## **(c) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

## **10. Income Tax**

### **(a) Recognition**

Income tax comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

### **(b) Current tax**

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group's taxable income is liable to Irish corporation tax. The Group's licence fee revenue earned prior to 31 December 2006 was exempt from corporation tax.

### **(c) Deferred tax**

Deferred tax is recognised using the balance sheet method, providing

for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on the tax rates and tax laws that have been enacted or substantively enacted at the year end date.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss at the time of the transaction.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

## **11. Finance Income and Expenses**

Finance income comprises interest income on cash and liquid investments and fair value movements on derivative financial instruments that are recognised through the Income Statement.

Finance expenses comprise interest on borrowings, unwinding of the discount on restructuring costs and fair value movements on derivative financial instruments that are recognised through the Income Statement.

## **12. Dividend Income**

Dividends paid and received from group companies are included in the company financial statements in the period in which the related dividends are declared and approved.

## **13. Grants**

Grants are recognised in the Income Statement in the financial year that they relate to. Grants are recognised as income or deducted from the related expense, provided that there is reasonable assurance that the Group will comply with any conditions attached to the grant and that the grant will be received. Licence fee revenue is accounted for in line with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

Capital grants are recorded as deferred income and are released to the Income Statement on a basis consistent with the depreciation policy of the relevant assets.

# Other Reporting Requirements

## Audience Council

Section 96 of the *Broadcasting Act 2009* established the RTÉ Audience Council on a statutory basis. It provides a voice for the viewers and listeners with regard to RTÉ's output and delivery on its public remit. It advises the RTÉ Board on specific issues relating to RTÉ's public-service remit and audience needs.

The members represent a diverse range of interests and backgrounds and are appointed by the Board of RTÉ, taking into account the requirements of the *Broadcasting Act 2009*.

Council members serve in a voluntary capacity, but may receive such out-of-pocket expenses as may be reasonably incurred in the performance of their functions. The RTÉ Board also appoints one of its members as an ex-officio member of the council.

Aengus Mac Grianna, an RTÉ Board member, served as Chair of the Audience Council until his retirement from RTÉ on 1 April 2018. Moya Doherty attended subsequent meetings, pending the appointment of a new Chair.

Four meetings of the Audience Council took place in 2018, including a joint meeting with the Board of RTÉ, as provided for in the Act.

The Audience Council reached the end of its term of office during 2018 and a new council will be appointed in 2019. At its final meeting, members reviewed the output of the council's Diversity Project and Education Project. The members also provided feedback to the Board of RTÉ on the operation of the council and made suggestions for the incoming members of the Audience Council.

Further information on the Audience Council, its members and a summary of the meetings held during the year is available at <http://www.rte.ie/about/en/how-rte-is-run/2015/0518/701954-audience-council/>

## RTÉ Annual Statement of Performance Commitments 2018 (ASPC 2018)

### Introduction

RTÉ's Commitments align with its 2018–2022 strategy, prepared as RTÉ's submission to the second s124(8) five-year review under the *Broadcasting Act 2009* (the Act). This strategy, *Renewing RTÉ for the next generation*, provides a new direction for the organisation, which is encompassed in RTÉ's new vision: *To champion Irish culture by captivating audiences with trusted, engaging and challenging content, celebrating our country's rich diversity and cultivating Ireland's talent.*

2018's Commitments set out six commitments under three headings or strategic objectives: Audience, Content and Sustainability.

### Strategic objectives and commitments

*Audience* – Deliver content relevant to all Irish audiences, serving everyone, everywhere

1. Put the audience at the centre of decision making
2. Be where the audience is – provide universal access, optimise linear and adopt digital first

*Content* – Captivate audiences through a more varied mix of quality content that tells Ireland's stories

3. Provide trusted, challenging and engaging content
4. Champion Irish culture
5. Celebrate diversity and cultivate Irish talent

*Sustainability* – Protect the future of public service media through a sustainable RTÉ

Under the provisions of the Act RTÉ is obliged to fulfil three reporting requirements: preparation of a statement of strategy (s99); preparation of a public service statement (s101), following a public consultation; and preparation of annual statements of performance commitments (s102). In fulfilment of statutory requirements, RTÉ's Statement of Strategy and Public Service Statement, the second of such statements under the 2009 Act, were submitted to the Minister in 2015 and are published on RTÉ.ie.

Pursuant to section 102(3) of the Act RTÉ's APSC 2018 was submitted to the BAI and the Minister in June 2018 and a summary was subsequently published on RTÉ.ie. This summary of 2018's performance is presented in fulfilment of section 102(5) of the Act. In compliance with section 102(4) of the Act, a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister in March 2019.

# Other Reporting Requirements (continued)

## 2018 Performance Commitments with Measures (Year 1)

### Audience – Deliver content relevant to all Irish audiences, serving everyone, everywhere

Commitment	Key Measure 2018	2018 Result
<b>1. Put the audience at the centre of decision making</b>	Maintain public perception that RTÉ is relevant to people in Ireland today at >80%	Commitment largely achieved. 79% of Irish adults agreed.
	Maintain public perception that RTÉ has high quality content and services at >75%	Commitment largely achieved. 73% of Irish adults agreed.
<b>2. Be where the audience is – provide universal access, optimise linear and adopt digital first</b>	Maintain average weekly reach for all RTÉ services at >90% (among 18+)	Commitment achieved.
	% weekly reach RTÉ (18–34) at >90%	Commitment achieved.
	% weekly reach RTÉ (35–54) at >90%	Commitment achieved.
	% weekly reach RTÉ (55+) at >90%	Commitment achieved.
	Maintain RTÉ television share (adults 15+, all day) >26%	Commitment achieved.
	Maintain RTÉ radio share (adults 15+, all day) >30%	Commitment achieved.
	Grow RTÉ's average weekly reach via mobile and online to >52%	Commitment achieved.
	Grow RTÉ's average monthly streams via mobile and online to >8m	Commitment achieved.
	Maintain public perception that RTÉ's programmes are easily accessible on a range of devices at >70%	Commitment achieved.

### Content – Captivate audiences through a more varied mix of quality content that tells Ireland's stories

Commitment	Key Measure 2018	2018 Result
<b>3. Provide trusted, challenging and engaging content</b>	Maintain public perception that RTÉ provides trusted N&CA at >80%	Commitment achieved.
	Maintain public perception that RTÉ generates national debate/political discourse (narrative report)	Commitment achieved.
	Maintain public perception that RTÉ keeps me well informed at >80%	Commitment largely achieved. 78% of Irish adults agreed.
<b>4. Champion Irish culture</b>	Maintain public perception that RTÉ is an important part of Irish life at >80%	Commitment achieved.
	Maintain public perception that RTÉ enables me to connect with national events at >80%	Commitment achieved.
	Maintain public perception that RTÉ devotes the right amount of time to children's programmes at >50%	Commitment achieved.
	Maintain RTÉjr weekly reach among 4–7s at >14%	Commitment not achieved. Weekly reach was 13.2% among children aged 4–7 years.
	Maintain public perception that RTÉ provides a comprehensive service for Irish speakers at >55%	Commitment achieved.
	Maintain RTÉ RnaG weekly reach among adults 15+ at >3%	Commitment not achieved. Weekly reach for RnaG slipped to 2.3% in 2018.

<b>Commitment</b>	<b>Key Measure 2018</b>	<b>2018 Result</b>
<b>5. Celebrate diversity and cultivate Irish talent</b>	Grow public perception that RTÉ reflects current Irish society at >80%	Commitment largely achieved. 76% of Irish adults agreed, in line with 2017. RTÉ had set an ambitious growth target, which it now aims to meet in 2019.
	Grow public perception that RTÉ has a range of new faces and voices on air at >62%	Commitment not achieved. 58% of Irish adults agreed, in line with 2017. RTÉ had set an ambitious growth target, which it now aims to meet in 2019.
	Maintain high proportion of RTÉ radio's FM output as first-run indigenous at >80%	Commitment achieved.
	Maintain high proportion of indigenous hours as a % of total peaktime hours on RTÉ One at >75%	Commitment achieved.
	Meet statutory spending requirements, fulfilling obligations under S.116 of the Broadcasting Act 2009	Commitment achieved.
	Grow public perception that RTÉ One is good for Irish drama to >70%	Commitment largely achieved. 68% of Irish adults agreed.
	Maintain public satisfaction with the quality of culture and arts on RTÉ (% satisfied) at >66%	Commitment achieved.
	Maintain public perception that RTÉ provides a broad range of orchestral music at >56%	Commitment achieved.

#### Sustainability – Protect the future of public service media through a sustainable RTÉ

<b>Commitment</b>	<b>Key Measure 2018</b>	<b>2018 Result</b>
<b>6. Protect the future of PSM</b>	Meet annual budget	Commitment not achieved. RTÉ's 2018 Net Deficit after Tax was €13m, which was in excess of budget. This was a result of lower commercial income, partially compensated by slightly higher licence fee income. Operating costs were in line with budget.
	Deliver RTÉ's portfolio of services within budgeted operating costs	Commitment achieved.
	Operate RTÉ's commercial activities efficiently to maximise the net return for RTÉ's public service activities and achieve group commercial revenue targets	Commitment largely achieved. RTÉ earned €150m in commercial revenue, which was slightly behind target. The main contributing factors were ongoing Brexit uncertainty and pressure on commercial impacts.
	Maintain public perception that RTÉ is good value for money at >55%	Commitment not achieved. 52% of Irish adults agreed. Value for money is an on-going objective for RTÉ, which the organisation remains committed to.
	Maintain public perception that RTÉ is valuable to Irish society at >85%	Commitment largely achieved. 84% of Irish adults agreed.
	Maintain public perception that RTÉ is trustworthy at >75%	Commitment achieved.

# Other Reporting Requirements (continued)

## RTÉ Fair Trading Report 2018

RTÉ is committed to ensuring that its trading activities adhere to the principles of fair competition and are operated within the framework of EU and national legislation. In addition RTÉ has considered it appropriate to implement its own policy and procedures, the RTÉ Fair Trading Policy and Procedures, which are published on the RTÉ website.

The Fair Trading Committee which was established to oversee the implementation of the Policy and Procedures is a sub-committee of the RTÉ Board. The members of the sub-committee are Fionnuala Sheehan (Chair) and Deborah Kelleher. This sub-committee is responsible for the independent oversight of the fair trading policy with regard to its implementation, with the ability to conduct periodic reviews of the policy as well as a review of the complaints procedure. The Fair Trading Officer, Paul Doyle, reported directly to the sub-committee. The sub-committee met four times in 2018.

The Fair Trading Committee approved and published a further update of RTÉ's Fair Trading Policy and Procedures.

The Fair Trading Committee monitored the restructuring of RTÉ during 2018 to ensure continued alignment with the Fair Trading Policy and Procedures.

The Fair Trading Officer continued to conduct briefing sessions for managers across RTÉ and provided advice on fair trading matters during 2018. Joint workshops on Competition Law and Fair Trading were provided by the Fair Trading Officer and an RTÉ Solicitor.

Two public information campaigns ran during the year to draw attention to the Fair Trading Policy and Procedures and included specific reference to the complaints procedure: the first in April on RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ lyric fm and social media; the second in August on RTÉ One, RTÉ 2, RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm and social media. Radio announcements were in both Irish and English.

No complaints were received in 2018.

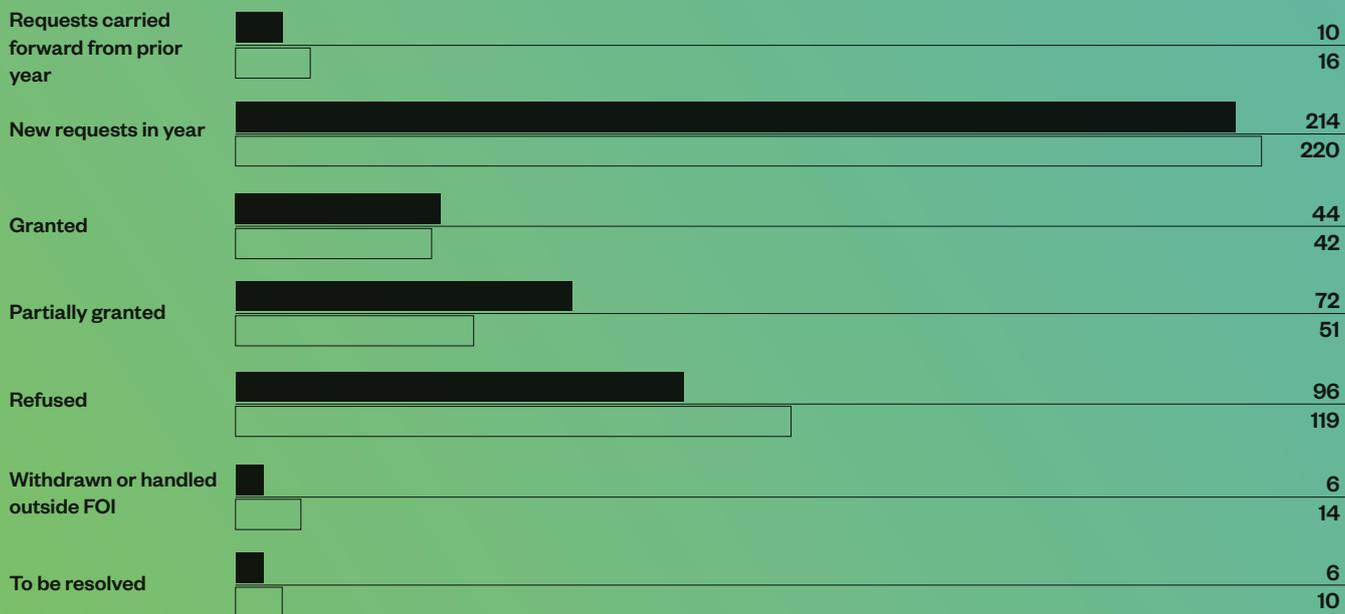
## Report under Section 22 of the Protected Disclosures Act 2014

Section 22 of the *Protected Disclosures Act 2014* requires RTÉ to publish an annual report relating to protected disclosures made under the *Protected Disclosures Act 2014*. In accordance with this requirement, RTÉ confirms that no protected disclosures were made during the year ending 31 December 2018.

# Other Statistical Information

## FREEDOM OF INFORMATION REQUESTS TO RTÉ

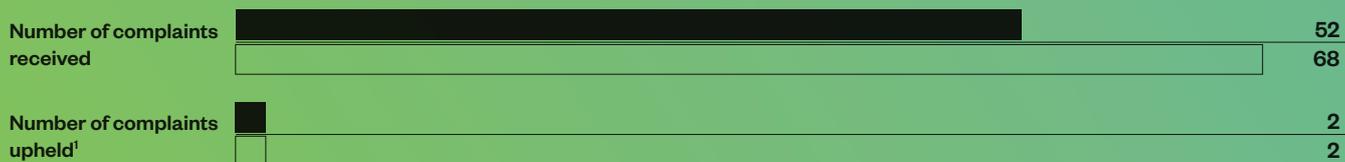
■ 2018 □ 2017



Source: RTÉ

## COMPLAINTS TO BROADCASTING AUTHORITY OF IRELAND ABOUT RTÉ OUTPUT

■ 2018 □ 2017



Source: RTÉ Data

1. In 2018 two complaints were partly upheld by the BAI Compliance Committee against RTÉ output. The first was in respect of *Six-One News* (RTÉ One, 23 January 2018) and the second was in respect of *The Eoghan McDermott Show* (RTÉ 2fm, 8th March 2018).

At 31 December 2018, BAI decisions are outstanding on 16 of the complaints made about RTÉ broadcasts in 2018.

# Financial History

	IFRS 2018 €'000	IFRS 2017 €'000	IFRS 2016 €'000	IFRS 2015 €'000	IFRS 2014 €'000
<b>INCOME STATEMENT</b>					
Television licence revenue	189,055	186,068	179,081	178,909	178,562
Commercial revenue	150,050	151,508	158,237	155,403	149,605
<b>Total revenue</b>	<b>339,105</b>	<b>337,576</b>	<b>337,318</b>	<b>334,312</b>	<b>328,167</b>
Operating costs (before depreciation, amortisation and exceptional items)	(339,803)	(334,520)	(343,448)	(320,262)	(311,894)
<b>EBITDA before exceptional items</b>	<b>(698)</b>	<b>3,056</b>	<b>(6,130)</b>	<b>14,050</b>	<b>16,273</b>
Depreciation and amortisation	(12,417)	(12,330)	(13,562)	(14,240)	(13,600)
Gain on disposal of assets	5	5,004	119	569	43
Exceptional items <sup>1</sup>	(548)	69,896	-	-	-
<b>Profit/(loss) from operating activities after exceptional items</b>	<b>(13,658)</b>	<b>65,626</b>	<b>(19,573)</b>	<b>379</b>	<b>2,716</b>
Net finance income/(expense)	520	(2,115)	217	(2,650)	(1,788)
Tax	135	(21,418)	(297)	(482)	(711)
<b>Surplus/(deficit) for the year</b>	<b>(13,003)</b>	<b>42,093</b>	<b>(19,653)</b>	<b>(2,753)</b>	<b>217</b>
<b>BALANCE SHEET</b>					
<b>Non-current and current assets</b>					
Property, plant and equipment	67,846	66,114	70,137	76,319	81,440
Intangible assets	5,695	3,212	2,020	2,155	3,157
Pension asset	49,556	50,910	29,064	46,749	1,837
Inventories	31,245	34,871	35,427	32,139	33,848
Other assets	127,207	166,825	71,404	82,267	76,517
<b>Total assets</b>	<b>281,549</b>	<b>321,932</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>
<b>Non-current and current liabilities</b>					
Employee benefits – restructuring	16,675	23,055	12,895	15,399	19,903
Retirement benefit obligation	-	-	-	-	19,188
Other liabilities	169,344	189,765	154,902	149,057	134,736
<b>Total liabilities</b>	<b>186,019</b>	<b>212,820</b>	<b>167,797</b>	<b>164,456</b>	<b>173,827</b>
Equity	95,530	109,112	40,255	75,173	22,972
<b>Total equity and liabilities</b>	<b>281,549</b>	<b>321,932</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>
<b>CASH FLOW</b>					
Net cash (absorbed)/generated from operating activities	(21,156)	(7,448)	(5,402)	9,108	2,447
Net cash outflow from acquisition of property, plant, equipment and intangible assets	(18,205)	(11,386)	(8,538)	(7,704)	(5,508)
Net proceeds from sale of property, plant and equipment	17	109,963	127	592	216
<b>EMPLOYEE HEADCOUNT</b>					
<b>Total at 31 December</b>	<b>1,822</b>	<b>1,924</b>	<b>1,984</b>	<b>1,978</b>	<b>1,899</b>

<sup>1</sup> Exceptional items includes gain on disposal of land, sales-enabling project costs, restructuring and other charges





Raidió Teilifís Éireann  
Baile Átha Cliath 4, Éire.

RTÉ  
Dublin 4, Ireland.

**T:** +353 1 208 3111  
**F:** +353 1 208 3080

**E:** [info@RTÉ.ie](mailto:info@RTÉ.ie)  
[www.RTÉ.ie](http://www.RTÉ.ie)

 [twitter.com/rte](https://twitter.com/rte)  
 [linkedin.com/company/rte](https://www.linkedin.com/company/rte)